

Police tear-gas students

 By ANDY COURT
 For The Jerusalem Post

Police arrested five Israeli students and used tear gas to disperse some 150 others who demonstrated outside Finance Minister Moshe Nissim's house in Jerusalem's Talbieh quarter yesterday evening. The demonstration was over a proposed large increase in tuition fees.

Students charged that the police acted with unwarranted force and sprayed tear gas before giving student leaders a chance to calm the protesters. But Jerusalem police chief Yosef Yehudai said that the students repeatedly violated the terms under which they were allowed to demonstrate by burning a tyre, shouting incessantly in a residential neighbourhood and using loudspeakers.

Yehudai said that so far it appeared that the security men acted according to regulations, but that the investigation was continuing. He said that the police did plan to arrest two injured stone-throwers once they are well enough to be released from hospital.

Three bus-loads of students from the Hebrew University and Bar-Ilan arrived at Nissim's house, located on Keren Hayesod street, at about 5.30 p.m. Their intention was to deliver a personal message to Nissim that they would not tolerate the planned boost in tuition.

Banks stop credit to local authorities

 By HAIM SHAPIRO
 Jerusalem Post Reporter

Just a week before Pessah, while the rest of the country was out on a giant shopping spree, municipal and local council employees around the country found themselves with empty bank accounts.

The banks decided to stop extending credit to the local authorities following a recent government decision that local councils stop taking giant overdrafts. The interest payments on these loans were causing a major drain on their budgets.

In the past, the simple approval of the Interior Ministry director-general was sufficient for the banks to extend funds to the local authorities.

However, the decision apparently did not take into account the fact that the authorities would have to pay their workers at the beginning of the month. The fact that they could no longer get funds for their payrolls took the local authorities by surprise.

The crisis resulted in a stormy meeting yesterday between Finance Minister Moshe Nissim and Interior Ministry Director-General Arye Dori.

The situation was exacerbated yesterday afternoon when Moshe Hava, assistant director of the Treasury's Budget Department, and the official in the Treasury responsible for the municipalities, arranged a meeting between the heads of the major banks and Dori in the latter's office and failed to attend himself. Furious, Dori cancelled the meeting.

But Dori asked the heads of the local councils, who had planned to demonstrate outside Nissim's office, to delay their action, in order to give him time for further consultations.

Bob a balloon — And meet me at the Fair!



We'll all be there! Browsing, buying, sampling, winning prizes and having a helzapoppin' time. **THE JERUSALEM POST PESSAH FAIR** in aid of the **Forsake Me Not Fund** for Israel's needy elderly. Be there or be square, April 15 at the Jerusalem Hilton, noon to 9 p.m. admission (which includes free 40-prize raffle ticket): 5-shekel donation to the Fund. Children under 12 free.

Spaniards bemused

Peres warns move to block peace will endanger gov't

 By MICHEL ZLOTOWSKI
 Jerusalem Post Correspondent and Staff

MADRID. — Foreign Minister Shimon Peres said here yesterday that he felt "empowered to continue the peace process," and warned that any attempt to stop it "would mean endangering the coalition government."

Peres continued to promote the idea of holding an international peace conference. But in Israel, Prime Minister Shamir again came out against convening such a parley.

Shamir told Israel Radio that the Soviet Union would not be satisfied with anything but a substantial role in an international conference. But such a role would be a disaster for Israel, Shamir said.

The Spanish Foreign Ministry admitted it was confused by the contradictory statements from Israel — and said it was having the same problem in dealing with the Palestinians.

Yesterday, the second day of his visit to Madrid, Peres met with King Juan Carlos and Socialist Prime Minister Felipe Gonzalez.

Peres told Israeli reporters that both men had offered to play a role in the peace efforts he was promoting.

But Jorge Dezcallal, director-general of the Spanish Foreign Ministry's Middle East department, said Israel was putting his country in "an uncomfortable situation."

"After hearing Mr. Peres, we get notes from the Prime Minister's Office via our embassy in Israel, explaining in two pages why Israel should not agree to an international peace conference," Dezcallal said.

The Spanish official noted that PLO chairman Yasser Arafat had made conflicting statements recently. He said that the PLO too has to clarify its position.

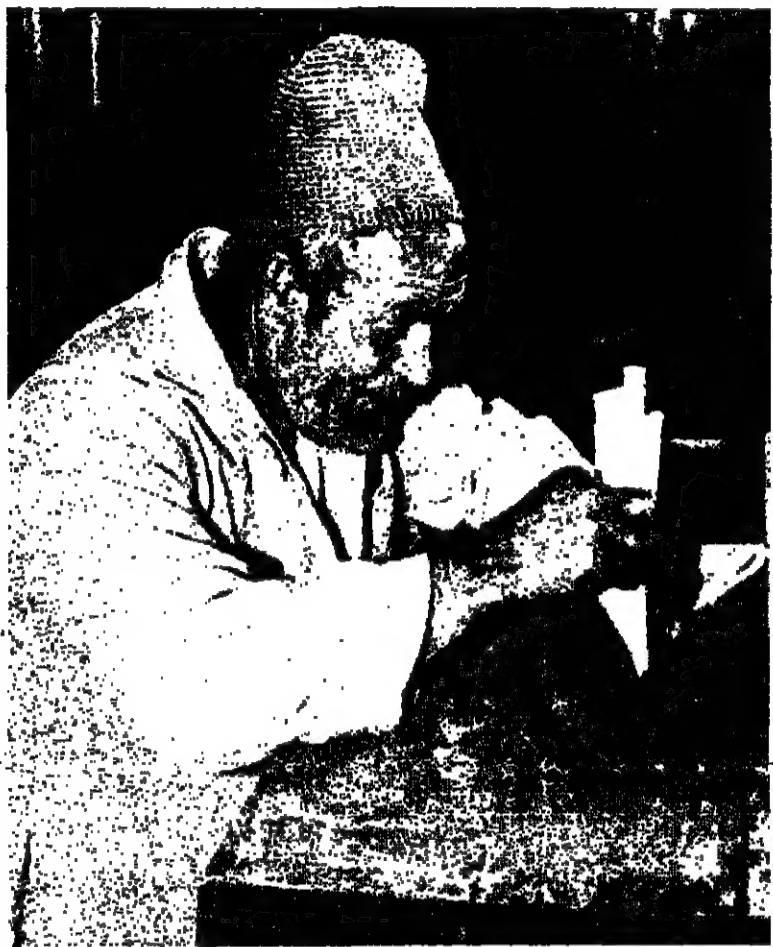
After a conversation with Gonzalez, Peres said that the Spanish prime minister "fully supported" his position on a peace parley.

"The question is not whether such a conference will take place or not," Peres said, "but whether the conference will be a constraining one or an open one."

Peres has said in the past that the conference should pave the way for direct Arab-Israeli talks, and not try to impose a solution.

Peres said that both Syria and Jordan oppose the PLO leadership. He said he told Gonzalez that a good solution to the problem of Palestinian representation would be a non-PLO figure. The PLO, he said, "was not a valuable partner."

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An Egyptian fellow casts his vote in yesterday's election. (Reuters)

Two stone throwers shot in capital

By ANDY COURT

A member of the security forces shot two Palestinian men yesterday after they threw rocks that smashed the windows of his car.

One of the men was injured in the lower stomach and the other in the hand. A police spokesman said that it was too early to say whether the security man acted according to regulations.

"They (the stone throwers) disturbed the peace," spokesman Rafi Levy said. "He (the security man) did what he did. His life was in danger. The matter will be checked."

In a separate incident, eight women, mostly relatives of hunger-striking security prisoners, were arrested yesterday during a march through East Jerusalem. The police say that the women threw stones and broke the window of a patrol car. About 100 women participated in the second such march in two days. Yesterday five women and two men were arrested in a similar incident.

Five Bir Zeit University students were also arrested during a demonstration in front of the British Consulate in Sheikh Jarrah. Police used tear gas to disperse the protesters, who reportedly demonstrated in solidarity with the hunger-striking prisoners.

Earlier in the day, security forces sealed the homes of three terrorists convicted of throwing grenades at soldiers and their families following a ceremony at the Western Wall in October. Troops and police also sealed the house of a member of the terrorist cell that murdered British tourist Paul Appleby.

The shooting of the two Arab men occurred at about 2 p.m. when the security man was driving on Salah el-Din Street in East Jerusalem. The item news service reported that the man's wife and aunt were in the car with him.

The Arab men threw the stones and then fled. The security men fired in the air and then at the fleeing men's legs, police sources said. Though hit, the men managed to escape, but police caught up with them later at the al-Makassed Hospital on Mount Scopus.

The injured men, ages 20 and 23, are from Jabli Mukbar and Sheikh Jarrah. They are now under police guard, but police have not yet decided whether they will arrest them once they are released from the hospital, Levy said.

Opposition charges vote rigging in Egyptian poll

CAIRO (AP). — Egyptian opposition groups accused the ruling party of election-day violence and vote-rigging in yesterday's parliamentary balloting by 14.5 million eligible voters.

The outlawed Moslem Brotherhood, a fundamentalist group running on the Socialist Labour Party ticket, said at least 10 of its members were attacked in a Nile Delta village by followers of President Hosni Mubarak's National Democratic Party (NDP), sure to dominate the new parliament.

The leftist National Unionist Progressive Party (NUPP) said police in the Nile Delta province of Qalubia north of Cairo arrested a British reporter, David Hirst of *The Guardian*, as he took pictures of a fight outside a polling station.

The Egyptian Information Minister later said Hirst had been detained briefly and released. Fual Seragaddin, chairman of the conservative New Wafd Party, claimed opposition party observers were being kept out of polling stations.

Some 21,000 stations were open yesterday. First poll results are expected today, but final scores will not be announced until Wednesday or Thursday.

The allegations, all involving provincial areas north and south of Cairo, came a few hours after the polls opened at 8 a.m. for nine hours of voting. No incidents were reported in the capital, where the turnout was light in the early hours.

Egyptians chose from among more than 3,000 candidates running for 448 seats of the parliament. Mubarak's NDP, a catch-all nationalist grouping which won 391 seats to the opposition's 57 in the last elections in 1984, was considered sure to retain its majority. The parliament this fall is expected to nominate Mubarak for a second six-year term.

But hardline Moslem politicians seeking application of Sharia (Islamic law) expected to increase their strength.

Mubarak, whose government has rounded up scores of Moslem fundamentalists in the past week, warned in an election-eve television address against opposition attempts to destabilize the voting.

Mokhtar Noh, a Brotherhood candidate, meanwhile said up to 1,500 of his movement's members were arrested nationwide in the days prior to the balloting. Gaber Rizk, the group's main spokesman, put the number at about 450.

Outside, a bumpy Border Police officer stopped three boys on their way to the building. The officer laid his hand on one boy's neck and the boy talked back. His arm was

twisted behind him and he was arrested. His friends were held briefly, then freed. Meanwhile, the children inside agreed to leave. The demonstration leaders sent out a group of schoolboys. Groups of girls followed them under the watchful eyes of Red Cross men at the door and soldiers across the street.

Suddenly, a photographer materialized among the soldiers and began snapping shots of the departing schoolchildren. The protesters stopped leaving the building, and a Red Cross official hurried to negotiate with the officers. The photographer disappeared, and girls came out, casting apprehensive glances at the soldiers. Some

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'Only the dead can forgive'

Herzog visits Bergen-Belsen

 By WLADIMIR STRUMINSKI
 Jerusalem Post Correspondent and Agencies

BERGEN-BELEN. — President Herzog yesterday declared that his visit to West Germany, the first by an Israeli head of state, was not an act of forgiveness.

"I do not bring forgiveness with me nor forgetfulness," Herzog said in an emotional ceremony at the Bergen-Belsen concentration camp. "The only ones who can forgive are dead; the living have no right to forget."

Some 37,000 Jews died here in 1943-45, including Dutch schoolgirl and diarist Anne Frank, who died of typhoid shortly before the camp's liberation in April 1945 and to whom a statue has been erected here.

Many Jews who died here left the Warsaw ghetto in the belief that they were going to Jerusalem as part of a Nazi trade of prisoners.

In paying homage to the victims of Bergen-Belsen, Herzog recited the mourner's kaddish and dedicated a 550kg. inscribed stone he had brought from Jerusalem.

"In this awesome place, the 'Valley of Slaughter', and at the outset of my journey on this soil, I leave as a memorial, my brothers and sisters, victims of the Holocaust, a stone born from the rocks of Jerusalem. On it are carved, as a testimony to the decimation of my people, the words, 'My sorrow is continually before me.'"

Herzog concluded his remarks: "In the name of the Jewish people and in the name of the State of Israel, I swear by your memory that we will be forever faithful to your bequest — the imperative of life."

Herzog, who flew to the bleak site shortly after an official welcome in Bonn, was accompanied by West German President Richard von Weizsäcker.

He said grief would be eternally



President Herzog unveils a memorial stone brought from Jerusalem at a ceremony yesterday in Bergen-Belsen to commemorate the tens of thousands of Jews who died there. (Reuters/telephone)

with Israel, not as hatred or barren hostility, but as a call to strength and steadfastness.

Among those who prayed for the dead were seven former inmates befriended by Herzog when, as a British army officer, he visited the camp a few days after its liberation.

"What can I say? I was flooded with memories. I remember what I found then and what I see now. Only it's empty, just nothingness," Herzog said as he boarded a helicopter to leave the site.

"I just pray to God that we will be worthy of their sacrifice." The new generation of Israelis was represented by 17 schoolchildren and their teachers from the Ben-Shimon youth village near Tel Aviv, who placed their own wreath at the memorial.

Some 200 older Jews from West Germany, Israel and the U.S. also attended the memorial ceremony.

A police spokesman said that around 800 armed officers, plus an unspecified number of plainclothes Israeli and West German security guards, protected the site for the one-hour visit.

Herzog arrived earlier in the day from Switzerland at the Cologne-Bonn airport and was met with full military honours by Weizsäcker.

The regimental band of an army infantry unit struck up the opening chords of "Hatikva," as Herzog proceeded to Hammerschmidt Villa, the German president's official residence.

During a 45-minute stay at the residence, the two leaders discussed the Middle East peace process and the international conference which Germany supports in principle.

MKS Yosef Burg and Dov Ben-Meir accompanied Herzog on his visit, along with Israel's first ambassador to Germany, Asher Ben-Natan.

Burg told *The Jerusalem Post* that he had opposed an official trip several years ago, on the grounds that it "was too soon."

Burg, who was born in Germany, said that this no longer held true, but reiterated a statement he made to former German chancellor Konrad Adenauer that the bridges to Germany were burned and that it was

(Continued on Back Page)

'Battle of the Documents' is joined

By ERNIE MEYER

Jerusalem Post Reporter
 The "Battle of Documents" in the Demjanjuk case was waged in earnest yesterday as the prosecution introduced one Trawniki document after the other and the defence, just as doggedly tried to object.

What set off the fierce struggle was the presence of a new witness, Holocaust historian Prof. Wolfgang Scheffler, of the Free University of Berlin. His testimony regarding the authenticity of the Trawniki ID card may be crucial to the outcome of the trial.

The card places the accused at the Trawniki SS training camp and at the Sobibor extermination camp, although it does not list a posting to Treblinka.

The defence says that the original card, which was supplied to Israel by the Soviet Union last December, is a forgery. Prof. Scheffler, 57, testified at Demjanjuk's 1981 denaturalization trial in Cleveland, where he said a copy of the document issued in the defendant's name at Trawniki, appeared to be genuine.

Although the original of the ID card in its laminated plastic cover was briefly used by the prosecution on Thursday, samples of its ink and paper are still undergoing forensic tests in laboratories here and in the U.S. The results are expected later this week.

Ironically, with the test results about to be released and with Scheffler on the witness stand, public attendance at the trial has fallen off.

The television hall is completely empty and the main courtroom also has many empty seats. The proceedings are superficially less dramatic, but behind the seemingly routine legal wrangling, the trial may be working up to a climax.

Yesterday's session opened with defence counsel Mark O'Connor

the documents, but O'Connor did not do so.

Finally, presiding judge Dov Levin gave his ruling. He rejected the defence's aspersions on Scheffler's expertise and all claims that the prosecution had been remiss in supplying the defence with documents.

The Criminal Law stipulates that after the indictment the defence may see all material in the hands of the prosecution, but the defence must ask for this material in time. The law does not say that the prosecution has to seek out the defence Levin noted or that it must supply all translation services, nevertheless Levin recommended that, "in view of the difficulties the defence faces," the prosecution make a special gesture and give the defence all the material in its possession.

He noted that the opening of the trial had been postponed for a month at the defence's request. "You have no reason to complain," Levin said. These exchanges took up almost the entire first hour of the session.

At Shaked's request, Scheffler related how he had served as an historical adviser at the 1961 Eichmann trial. Since 1971, he said, "I've testified in 40-50 trials on all aspects of the Holocaust in various countries."

Shaked then led Scheffler in giving a survey of the history of the Trawniki

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With deepest sorrow, we announce the death of our much beloved husband, father, brother and grandfather

Dr. PAUL H. FEIGHER

Paris-Cernauti-Radauti

who passed away in Paris.

The coffin will be brought to Israel, and the funeral will take place at the Kiryat Shaul cemetery, tomorrow, Wednesday, April 8, 1987, at 2:30 p.m. sharp.

A special bus for mourners will leave at 2:00 p.m. sharp, from the house at 30, Nordau Boulevard, Tel Aviv.

The bereaved family:
 Wife: **Rachelle Feigher, Paris**
 Son and daughter-in-law: **Rene and Anita Feigher, Paris**
 Brother and sister-in-law: **Eng. Avram and Rita Feigher, Tel Aviv**
 Grandchildren: **Lucie and Jeanice**

The weather at major Swissair destinations

	6.4.87	MIN.	MAX.	
AMSTERDAM	4	11	15	Cloudy
BRUSSELS	5	11	15	Clear
BUEENOS AIRES	15	26	28	Clear
CHICAGO	2	11	15	Clear
COPENHAGEN	4	11	15	Clear
FRANKFURT	4	11	15	Clear
GENEVA	4	11	15	Clear
Helsinki	4	11	15	Clear
HONG KONG	24	21	28	Clear
Johannesburg	16	21	28	Clear
LONDON	9	14	17	Clear
LONDON	9	14	17	Clear
MADRID	6	11	15	Clear
MONTREAL	4	11	15	Clear
NEW YORK	4	11	15	Clear
OSLO	4	11	15	Clear
PARIS	4	11	15	Clear
RIO DE JANEIRO	16	21	28	Clear
Sao Paulo	16	21	28	Clear
STOCKHOLM	4	11	15	Clear
TOKYO	11	16	21	Clear
TORONTO	7	12	16	Clear
VIENNA	4	11	15	Clear
ZURICH	5	11	15	Clear

*For the latest weather conditions contact Swissair.

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THE WEATHER

Forecast: Partly cloudy to clear. Slight rise in temperatures.

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Max
Jerusalem	34	3-18	20
Colan	41	4-18	20
Nahariya	41	4-18	20
Safed	49	5-16	18
Haifa Port	86	9-21	22
Tiberias	54	9-21	23
Neshera	50	7-22	23
Afula	50	7-22	23
Samaria	50	7-22	23
Tel Aviv	65	11-18	20
B-G Airport	58	9-20	21
Jericho	35	9-27	28
Gaza	68	11-19	21
Beersheba	35	8-21	23
Eilat	17	12-27	28

Arab professor charged with incitement

By JOEL GREENBERG
Jerusalem Post Reporter
An-Najah University Prof. Saeb Erakat was convicted in the Nablus Military Court of incitement, on the basis of an article in which he called on Palestinians to "endure, reject and resist until we regain our freedom."

The article was published in the *An-Najah* newsletter. It was seized during an army raid on the campus last June, when Erakat was university spokesman.

The presiding judge said that the article on "19 years of Israeli occupation" was inciteful and that the term "resistance" meant anti-Israeli violence. Erakat's lawyers, Avigdor Feldman and Jawad Boulos, argued that resistance could take non-violent forms. They said they would appeal the conviction to the High Court of Justice. Sentencing has been set for May 10.

In another development, troops used tear gas at the Balata refugee camp to disperse girls who demonstrated at a local school.

An Israeli was lightly hurt by glass shards when youths hurled stones at his vehicle near the Islamic College in Hebron, smashing a window.

HOME AND FOREIGN NEWS

1,000 publishers show their wares at Israel Book Fair

By ANDY COURT
At the 13th Jerusalem International Book Fair, which opens to the public this afternoon, one can find anything from a palm-sized book containing the Song of Solomon in Polish, to the English spoof *Everything You Need To Know Before You're Hijacked*.

Over 1,000 publishers from more than 40 countries - including Hungary, Japan and the Ivory Coast - will be dealing and displaying at the week-long fair, which held its opening ceremony last night.

The fair includes symposiums for editors and publishers and special activities for children.

Though the books are mainly meant for display, most of them can be purchased.

Limited edition facsimiles of the Rothschild Miscellany displayed at the Israel Museum are going for \$5,500 a copy. Recently released by Facsimile Editions Publishers of London, each of the 500 copies has 948 pages of illustrations and Hebrew text drawn from some 70 secular

and religious sources. The miscellany was originally commissioned by a wealthy Italian Jew at the height of the Renaissance. It is considered to be the most lavish Hebrew manuscript of that era.

Not far from the Renaissance replicas, two German artists are displaying a five-ton library of stone books. Anna and Wolfgang Kubach-Wilmsen chiselled and ground the books from granite, marble and other stones collected around the world in an attempt to show that stone contains as much "content" as books.

The fair also features an exhibit of 500 books about Jerusalem, published in 93 cities, and in 25 different languages, and covering the Middle Ages through the present.

The Foreign Trade Enterprise representing 55 Polish publishers, is making its appearance for the first time with an exhibit that includes miniature books containing the drawings of Edward Munch or verse from the Song of Songs. Through the Book Fair, would

seem to contain something for everyone, not everyone is pleased: the Israel Translator's Association complained yesterday that its 300 active members have been left out in the cold by the Aspen Institute.

The Institute is to hold a forum entitled, "Publishing Across Language Frontiers," featuring 16 prominent writers, editors and publishers. But neither the panel, nor the list of invited guests includes anyone from the translator's association, according to assistant chairman Ophira Rahat.

"They're devoting three days to translation and the translators are not invited," Rahat said.

The fair will be open to the public from today through Thursday from 2 p.m. to 10:30 p.m., Friday from 9 a.m. to 1 p.m.; on Saturday, from 7:30 p.m. to 11:30 p.m.; and on Sunday, from 9 a.m. to noon. Special activities for children will be held Tuesday, Wednesday and Thursday at 5 p.m.

Admission is NIS 5.00 for adults, and NIS 3.00 for children, soldiers, and students.

Deputy army chief Drori bows out

By JOSHUA BRILLIANT
Post Defences Correspondent
TEL AVIV. - Aluf Amir Drori relinquished his post as deputy chief of general staff yesterday, two months after having caused a storm by criticizing defense establishment norms which he said were greater enemies to Israel than the Syrians, Iraqis and terrorists put together.

His resignation, which ended nearly 32 years of military service, came shortly before his rival to the post of chief of general staff, Aluf Dan Shomron, is due to take over from Rav-Aluf Moshe Levy.

Aluf Amram Mitzna will replace Drori until O/C Central Command Aluf Ehad Barak takes over.

Drori's criticism reverberated throughout the ceremony at the CGS's bureau, where he tendered his resignation in the presence of Defence Minister Yitzhak Rabin and members of the general staff.

Rabin attempted to lower the tension at the ceremony by recalling some "harsh recent tones," but advising all of those present "to remember the positive."

Drori, too, prefaced his remarks by noting "I get into trouble whenever I talk," but stood by the essence of



Aluf Amir Drori

his criticism. Earlier, he said that "irrelevant and foreign considerations influence decision making." This criticism was directed at Rabin and sources said he had been much more blunt at meetings with the minister. Drori also cited decisions concerning the Lavi, saying that Rabin "doesn't want to be the target of political criticism, even though he knows the Lavi will lead us to the precipice."

Milo's plan on Shas gets blocked

Post Knesset Correspondent
An attempt by Deputy Minister Rommi Milo to get the Shas party leader back into the cabinet by registering converts as such in the Population Registry, did not even reach the Knesset Law Committee yesterday.

At a top-level Likud-Alignment meeting in the morning it was agreed to keep Milo's proposal out of the committee in view of the strong objections to it.

Shas party leader Rabbi Yitzhak Peretz resigned as interior minister some months ago rather than obey a High Court order to register a Reform convert to Judaism as a Jew.

Transport Minister Haim Corfu, for the Likud, and Energy Minister Moshe Shahal, for the Alignment, issued a statement after their 30-

minute meeting saying they both wanted Peretz to come back to the cabinet.

On Sunday, the Shas party secretariat threatened to pull the party out of the coalition. But such a move could only be decided by its spiritual leaders, the Council of Torah Sages.

Corfu and Shahal agreed to look for a temporary solution to keep Shas inside the coalition, and thus give time to study the problem in depth. They did not spell out such a solution, however.

Peretz said in an interview yesterday that with the exception of Prime Minister Shamir, "who dealt a bit with the subject," the Likud had done "next to nothing about the registration of *goyim* (non-Jews) as Jews."

Savir's promotion angers FM staff

Jerusalem Post Reporter
The Foreign Ministry works committee yesterday protested against the decision to grant Uri Savir, one of Foreign Minister Shimon Peres's closest aides, the personal rank of minister.

The decision angered the ministry staff because Savir, who is currently serving as the foreign minister's *chef de bureau* and media adviser, has not served the required time at lower ranks before being promoted to the second-highest rank in the foreign service.

Ministry Director-General Avraham Tamir told the staffers that giving Savir the rank was in accord-

ance with precedent. He noted that when Elyakim Rubinstein was picked by late foreign minister Moshe Dayan to be his *chef de bureau* he was given the rank of minister.

The protest followed criticism by ministry officials of the Peres team's work method. The staffers have complained that Peres's men leave most of the ministry's experts out of the decision-making process.

A works committee member said last night that if management sticks to its decision to promote Savir, the Civil Service Commission will be asked to look into the matter.

Savir is accompanying Peres on his visits to Spain and Italy this week.

Convict gets leave to see his baby

By HAIM SHAPIRO
Jerusalem Post Reporter
Rajio Ratz, the Hungarian convict who has a deportation threat hanging over him despite the fact that he has an Israeli wife, is to get leave from prison to visit his new-born daughter today, the Prison Service announced.

Ratz, who entered Israel in 1983, was later sentenced to four years' imprisonment for smuggling cars into the country. He unsuccessfully appealed to the High Court of Justice to ward off an expulsion order, but the State Attorney argued that the former Hungarian is wanted by police all over Europe.

Action against Jordan TV for Holocaust film cuts

By DAVID HOROVITZ
Jerusalem Post Correspondent
LONDON. - Britain's Central Television is considering taking legal action against Jordanian TV for broadcasting a heavily-censored version of "Courage along the Divide," an award-winning documentary on

Arab-Israeli relations in the West Bank. The documentary was shown by Jordan TV on February 17, but it had been "politically mutilated" by Jordanian censors, according to the film's maker, Victor Schonfeld.

All references to the Holocaust and the migration to Israel of its survivors had been deleted, as had mention of Arab-Israeli wars and Israeli casualties of Arab terrorism.

Central TV, which produced the film, is to advertise in the Israeli press to explain what happened, and it is now awaiting an explanation from the Jordanians themselves.



Rav Pakad Asher Shamir with one of the forgeries. (Daniel/Media)

Forged paintings, prints recovered

By JONATHAN KARP
For The Jerusalem Post

TEL AVIV. - The police headquarters dining hall in Jaffa was transformed into an art gallery yesterday, as detectives from the force's national criminal investigation unit displayed many of the forged paintings and prints seized during the last few months in Tel Aviv, Haifa and Safed.

Among the works discovered in the investigation, which police dubbed the "Picasso Affair" were forgeries of such famous Israeli artists as Marcel Janco, Ziona Tagger, Anna Ticho, Nahum Gutman and Shalom Moskovitz (the zeigmacher) of Safed. They also found a forgery of a lithograph by the Spanish surrealist Joan Miró, which might have sold for \$5,000-\$6,000, according to Rav-Pakad Asher Shamir.

The latest operation yielded 80 fakes of very good quality, worth tens of thousands of dollars, but there were at least 200 pieces of art which were being inspected by a team of experts at the Jaffa headquarters, police

said. The market for "original art" in Israel was flooded with forgeries, they noted.

Thus far, 10 people have been arrested, including several gallery owners and art dealers. Police refused to disclose names of individuals and of the galleries in which the forgeries were found.

Initially, many gallery owners were detained but were released after it was determined that even they had been fooled by the quality of the forgeries.

The most important finds of the operation, according to Rav Pakad Nurit Frenkel, were eight oil paintings that were not forgeries but rather authentic works by Eliahu Gat stolen from the artist's Safed studio in 1984. His signature had been erased on three of the paintings and replaced with that of Ziona Tagger, who was one of the leading art figures in the early years of the state.

The greatest number of paintings shown to reporters yesterday were the "naïve" biblical works by Shalom of Safed, especially popular among religious tourists. Police said that "hundreds of fakes were sold," for as much as \$1,800.

Moshavim united for money

By AVI TEMKIN
Post Economic Reporter

Representatives of the moshavim movements connected to all political currents united yesterday in demanding from the Treasury a rapid implementation of the debt rescheduling plan recommended by the Ravid Committee. They said delaying the decision about the scheme until after Pessah, as planned by the Treasury, would increase the moshavim debts by NIS 30 million.

In a display of unity, four representatives from all the moshavim movements appeared at a press conference in Jerusalem to blame government policy in the last years for most of the present debt problem. The four - Gedalia Gal from the Moshavim Movement, Muka Cohen, from Herut-Betar, Haim Nadvir, from Hapoel Hamizrachi and Motti Deljo, from the Ichud Hakla'i - blamed the huge interest rates in the last years for their situation. It accounted for half of the NIS 1 billion debts of the moshavim.

The representatives said that the government help that would be necessary to execute the debt-rescheduling plan would represent only a part of the debt which had accumulated due to government policy.

Matza ban for Israelis travelling to Egypt

By ELAINE RUTH FLETCHER
For The Jerusalem Post

Israelis travelling to Egypt over Pessah will not be able to take any food or drinks with them - not even matzo.

The new Egyptian regulations forbidding Israelis to bring food or beverages over the border have caused some 400 kibbutzniks and students to cancel spring camping trips to Sinai, according to Yossi Kfir of the Society for the Protection of Nature in Israel.

But Oren Amir, of the private Neot Hakikar tour company claimed: "We have 80 per cent of the traffic to Sinai and no one has cancelled." Amir said his company had found Egyptian food suppliers.

"There is enough food and there is no problem," said Amir, who claimed that Neot Hakikar would

take some 2,000 people to Sinai in April. He added that it was standard practice for countries to restrict or ban travellers carrying food items over international borders.

Amir conceded, however, that campers keeping kosher for Pessah would face special problems if they could not bring food with them, and said that there were contacts with the Egyptians on possible Pessah arrangements.

And for travellers to Cairo, the day-long bus ride from Rafiah is broken only by one stop at a restaurant.

Mustapha Kamal, press attache at the Egyptian Embassy said that meetings would be under way today about the food issue.

But as it stands now, no food may be brought over the border for Pessah or otherwise, he said.

Hard to enforce ban on bread in Jewish areas

By ASHER WALLFISH
Post Knesset Correspondent

Although the law prohibiting display of bread in predominantly Jewish areas on Pessah is on the statute books, enforcing it is likely to be a problem during the upcoming festival.

Pessah begins Monday evening. The Knesset Law Committee, which met yesterday evening, was due to consider and approve regulations to be published in *Reshumot*, the official gazette spelling out the manner of enforcing the statute. The law was passed last summer. The Justice Ministry, in conjunction with the Interior Ministry, drafted regulations whereby a violation of the so-called Matza Law would be punishable swiftly.

The regulations would have made any violation an administrative rather than a criminal offence. Thus, municipal inspectors or policemen would have been legally empowered to write out a "ticket" to anybody

selling *hametz*, as leavened food is termed in Hebrew.

The fine would then have been NIS 100 for a first offence, NIS 200 for a second offence, and so forth.

But at yesterday's committee meeting, the Alignment, Mapam, and the Citizens Rights Movement, asked for a stay in the vote to permit consultations inside their parties. The chairman, Eliezer Kulik, had no choice but to agree to the delay.

The needed regulations, therefore, can only come up at a Law Committee meeting after Pessah.

New parking rules for Ibn Gabirol

By JONATHAN KARP

TEL AVIV. - Parking and stopping on the northbound side of Rehov Ibn Gabirol is now forbidden during the 4-7 p.m. rush hour, following a decision by the Tel Aviv municipality to make the route a fast thoroughfare for vehicles exiting the city.

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ANDRIES DAVIDS
in Holland, on April 6, 1987

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Amos and Dina Davids and family
Eva van der Hoozen

The funeral will take place in Zwolle on Wednesday, April 8, Shiva at Kiryat Matalon.

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HAGA (Civil Defence) Exercise in Nahariya
There will be a Haga exercise in Nahariya during the night of Wednesday/Thursday, April 8/9.
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New U.S. envoy receives rough welcome in Moscow

MOSCOW (AFP). — U.S. Ambassador Jack Matlock received a hostile welcome from President Andrei Gromyko when he presented his credentials yesterday according to a report by the Tass news agency.

Gromyko was quoted as telling the new ambassador that despite efforts by the Soviet Union for "normal relations" with the U.S., "all kinds of maneuvers are being undertaken to prevent the resolution of burning questions."

"This demonstrates that the U.S. has no serious intentions of seeking agreement," he said.

The presentation of credentials by incoming ambassadors is normally a protocol affair.

Tass said Gromyko outlined Moscow's approach on matters such as international security, lessening the threat of war and ending the arms race.

Matlock, a Soviet scholar, was reported as saying that he was optimistic about the possibility of reaching agreement with the Soviet Union.

Meanwhile, a U.S. Congressman inspecting the U.S. Embassy here said it has been "fully compromised" by the spying scandal and it will take millions of dollars to fix the damage.

Dan Mica, an opposition Democrat, said a "secure area" had been erected in the embassy building "within the last 48 hours." But he added that Secretary of State George Shultz still may have to bring in a special trailer for communications with Washington when he visits Moscow April 13-16.

Mica and Congresswoman Olympia Snowe, a Republican, spoke to reporters in front of the old embassy after conducting a pre-dawn tour of the building yesterday interviewing personnel there for most of the day.

A new embassy building is presently under construction.

The representatives had arrived in Moscow early yesterday for their inspection of the old embassy, which has been the focus of a sex-and-spy scandal allegedly involving former U.S. Marine guards. Three former embassy guards have been arrested in the U.S., and two of them were charged with espionage. The Marine Corps says they had allowed KGB agents into sensitive areas of the building.

The third Marine is under investigation for allegedly not reporting contacts with Soviet women.

Mica is the chairman of the Operations Subcommittee of the House Foreign Affairs Committee. Snowe is the ranking Republican on the same subcommittee. Both plan to visit the new embassy building today. Some members of Congress already have urged that the new building be pulled down, saying it is full of KGB listening devices.



Trucks loaded with Kuwaiti emergency supplies enter the Shatilla refugee camp backwards to avoid sniper fire while unloading. Five trucks brought food, clothing and blankets to the besieged Palestinian camp despite sporadic shooting there. (Reuters)

Beirut sniper kills man working on relief convoy

BEIRUT (AP). — A Palestinian man was killed by a sniper as he helped unload relief supplies at hunger-ridden Shatilla yesterday, a few hours after a truce was declared to end the almost two-year-old war for control of Palestinian refugee camps in Lebanon.

The man was shot from outside the camp which has been besieged by the Syrian-backed Shi'ite Muslim Amal militia for five months, said reporters.

The relief convoy, donated by Kuwait, unloaded 40 tons of supplies in Shatilla, whose hungry population was forced at one stage during the siege to eat cats, dogs, rats and mules. It was the second food convoy to reach the Beirut camps in the last two days.

A truce was called at 8 a.m. around Shatilla and the sprawling nearby camp of Bourj al-Barajneh after a meeting late Sunday night between Palestinian commanders, Syrian observers and representatives of the Shi'ite Amal militia.

But two hours after the ceasefire took hold yesterday morning, sniper fire erupted again around Shatilla and Bourj al-Barajneh. Amal and the Palestinians blamed each other for the violation.

Syrian mediators summoned representatives of the two warring sides to another meeting and the guns fell silent just before the food convoy rolled into Shatilla.

A Palestinian spokesman said Syrian troops will deploy at the entrances to Shatilla and Bourj al-Barajneh today.

But Amal said the final lifting of siege was conditional on a Palestinian withdrawal from positions east of the southern port of Sidon.

Meanwhile, artillery duels between Lebanese Army units and Druse militiamen erupted shortly after noon yesterday in mountains near Beirut for the first time this year, local radio stations said. The exchange occurred between army troops entrenched in the Christian town of Souq al-Gharb and Druse fighters in the nearby town of Aley, 29 km. south-east of Beirut.

U.S. author wins Hemingway Prize

PARIS (Reuters). — American novelist and short-story writer Peter Taylor was yesterday named winner of the \$50,000 Ritz Paris Hemingway Award — one of the literary world's richest prizes.

Taylor won for his novel *A Summons to Memphis*, judged the best novel published in English last year by a 10-man international panel of authors.

Other finalists for the prize were Austrian Peter Handke's *Across and Across* and Canadian Margaret Atwood's *The Handmaid's Tale*.

One view in Washington:

Iran gate could boost M.E. peace

By MICHAEL BATTYE

WASHINGTON (Reuters). — A sharp drop in U.S. credibility in the Middle East resulting from the Iran arms scandal could in fact help efforts to bring peace to the region, U.S. officials say.

The officials told Reuters they believed the flurry of recent diplomatic activity came from a desire of various sides, especially on the Arab side, to take advantage of the situation.

"The Arabs see this as an opportune time to make a major move because they see we recognise our shortcomings in Mideast policy and think we may be willing to make a major move to reinstate ourselves in the region," one official here said.

The officials, who asked not to be identified, said Washington hoped something might come of the activity, but stressed that the U.S. would not take a leading role.

"We are willing to put effort into it when we see it would produce results," one said. "Right now, we are just watching carefully what they are doing and saying. The interest is intense. We are poring over every announcement, seeking verbatim accounts of everything said."

"But it hasn't gelled yet. It's still a very fluid situation and it's hard to predict where it's going. That's why we aren't throwing ourselves at it right now."

Most private analysts here believe Middle East peace

is far from being a U.S. priority.

"I am very, very cynical about things and I know what the attitude of the Secretary (of State George Shultz) is — cautious, slow, it's too difficult," says Judith Kipper of the Brookings Institution.

Kipper and other analysts agree that Washington would still be the essential mediator if peace were to be reached.

"But that would require a full-time presidential envoy and there's no sign of that. Shultz isn't going to do it, because his priority is an arms control agreement," she said.

Washington has said it is prepared to consider an international peace conference under the auspices of the five permanent members of the UN Security Council. But U.S. support is conditional on the conference leading quickly to direct Arab-Israeli negotiations and on it having no decision-making power.

The U.S. officials see King Hussein, who had remarked angrily in January that U.S. credibility in the region was "zero," as taking the leading role.

The king was the Arab leader most critical of President Reagan's sale of arms to Iran in breach of his own embargo. The officials said they hoped to learn more about his intentions during the current visit to Washington by Jordanian Prime Minister Zeid al-Rifa'i and Foreign Minister Taher al-Masri.

Soviet leader due in Prague later in week

Delay in visit still not explained

PRAGUE (AP). — Czechoslovak and Soviet state-run media reported yesterday that Soviet leader Mikhail Gorbachev, who was expected to arrive here yesterday, will make the trip later this week.

The reports did not mention the reason for the delay.

Neither Czechoslovak dailies nor Radio Moscow referred to a health problem as the reason for the postponement. On Sunday Czechoslovak Deputy Foreign Minister Roman Narozny told reporters that Gorbachev, 55, would not be coming until later this week because of a "slight cold."

The statement touched off speculation about the nature of Gorbachev's ailment and about possible divisions between the Kremlin and the Czechoslovak leadership.

Neither a Tass dispatch on Sunday nor Radio Moscow yesterday mentioned Narozny's remark about Gorbachev's cold.

Narozny rejected a suggestion from a Western reporter that the ailment was a "diplomatic cold" to conceal an internal Soviet dispute or differences between Gorbachev and the more conservative Czechoslovak leadership.

President and party leader Gustav Husak, 74, has given verbal support to reforms introduced by Gorbachev in the Soviet Union. But Husak and other Czechoslovak officials have hinted they will take a more cautious approach.

Many of Gorbachev's proposed changes were part of reforms associated with what demoted leader Alexander Dubcek attempted to introduce in Czechoslovakia in 1968 during the "Prague spring." That short liberalization period abruptly ended with the Soviet-led invasion of Czechoslovakia in August, 1968.

Apartheid's human dumping grounds

JOHANNESBURG. — The Union Jack flies beside the flags of Taiwan, Israel and South Africa outside the government office which administers the industrial sector of this biggest and most appalling of all apartheid's human dumping grounds.

The flags are testimony to the fact that while the world talks of sanctions and disinvestment, many foreign companies are streaming into South Africa to exploit the massive concentrations of dirt-cheap labour that apartheid has produced with its controls and forced removals.

Foreign industrialists are paying wages as low as \$6.00 a week to Botshabelo, a sprawling shanty town of more than 500,000 people that apartheid's social engineers have caused to sprout up in the middle of the flat Orange Free State veld.

That is less than one-sixth of the minimum wage laid down for such workers in industrial agreements in the rest of South Africa.

It is one-seventh of the wage paid to an unskilled migrant worker in the gold mines, long regarded as the notorious bottom rung of South Africa's black wage scales but where significant improvements have been made in recent years.

In fact the industrialists are paying only a fraction of even that paltry sum because of a huge subsidy. To lure them to the tribal "homelands" and dumping grounds for "surplus" people like Botshabelo, the government pays 95 per cent of staff wages, about \$43 a month for each employee, or just over \$10 a week.

By paying most of their workers less than that, industrialists can include their higher-paid staff as

well so that they end up with what one factory manager admitted was "effectively free labour."

A researcher has described it as a system of "state-subsidized sites for the exploitation of workers." It is based on the creation of an overwhelming supply of captive labour in a rural backwater where the people are desperate for work at any wage and there are no trade unions to protect them.

Unemployment in the teeming shanty town is estimated at between 70 and 80 per cent. Despite the paltry wages, hundreds of people wait outside the factory gates every day.

The industrialists take full advantage of the situation. Few offer canteen facilities, sick pay, maternity benefits or paid holidays.

Workers bring their own food which they eat on the grass outside the factories during the lunch break. A hamburger and Coke at the only take-away stall in the vicinity costs \$1.50 — or more than a day's wages for many of the workers.

"People here don't seem to have a social conscience," remarked one factory manager, who said he was shocked at what was happening.

Some of the industrialists admit they are profiteering from apartheid and a few say they feel guilty about it. "I feel lousy, really bad," said one. "I've been into the township and seen the conditions there. We should do more, but I'm only the manager here."

Even the government seems a little embarrassed. A spokesman for the Development Trust Corporation, which administers these industrial sites, said that when it negotiated with industrial-

ists "strongly recommended" that they pay a minimum wage of about \$15 a week.

But most industrialists spoke to in Botshabelo could see nothing wrong with their pay scales. They said the workers were "raw," unproductive and often absent. They were quick to point out that they provided work opportunities where none had existed, and some came close to presenting themselves as social benefactors.

Oriental, themselves classified as non-white by South Africa's racial laws, are the main exploiters of this opportunity created by apartheid. Of the 43 factories operating in Botshabelo, 17 are Taiwanese, two are from Hongkong and four are from Israel.

The Taiwanese also pay the lowest wages. Stories abound in Botshabelo of Taiwanese firms paying as little as \$6 a week, but the lowest wage I was able to establish during a two-day investigation was \$7. That was paid by a Taiwanese clothing factory called New Point Fashions.

Pon Fong Peng, who runs the factory with her husband, Bruce Pon, said the workers did not deserve more. She said they were unskilled, slow to learn and lazy.

"They do not work hard like the Chinese people," Pon said. "If they don't want to work hard, if they are lazy, how can you pay more?"

On the other hand, a Hongkong company called Electronic Magnetic Associates, which manufactures video equipment, pays the highest wages — \$17 a week — and has the best working conditions. It is managed by a young Afrikaner named Pieter de Bruin. (OFNS)



Jack Kemp enters GOP presidential race

WASHINGTON (AP). — U.S. Representative Jack Kemp, a former pro football star, yesterday entered the race for the 1988 Republican presidential nomination.

Kemp, 51, who became a leading advocate of federal tax cuts, opened his campaign with pledges to resist any tax increases and to deploy a missile defence system as soon as possible.

The congressman said, "The central dilemma of our day is that we lie defenceless against Soviet missiles."

He said laser technology "that can today eliminate a cancer cell could tomorrow neutralize a Soviet ballistic missile in space."

Kemp criticized both the Democrats and the Reagan administration State Department for wanting to use the president's plan for a space-based defence system as an arms control bargaining chip.

He joined former governor Pete du Pont of Delaware and former secretary of state Alexander Haig as announced candidates in the Republican race.

Kemp said he would "continue to oppose any plan, from any quarter, to raise taxes on the American people."

He also called on Congress to pass legislation that would nullify the 1973 Supreme Court decision legalizing abortion.

FOREIGN BRIEFS

Capized ferry to be righted today

ZEEBRUGGE (AFP). — Refloating the capized car-ferry Herald of Free Enterprise is to begin this morning, and should be finished by mid-afternoon, Capt. Hans Walenkamp, who is in charge of the salvage operation, said here yesterday.

According to Walenkamp, excellent weather conditions would have permitted the refloating to start last night, but Belgian authorities insisted on the delay so that any bodies or debris escaping from the wreck during the operation could be recovered in daylight.

According to the British shipping company Townsend Thoreson, which owns the ferry, 140 passengers and crew of the 543 people thought to have been on board the vessel, are missing. So far 60 bodies have been recovered.

Sudan rebels spurn ceasefire proposal

NAIROBI (Reuters). — Rebels fighting government troops in southern Sudan yesterday declined a two-week ceasefire offer from Khartoum, insisting that Prime Minister Sadeq al-Mahdi first end a national state of emergency and take steps towards peace talks.

Mahdi asked for the ceasefire to allow the start of peace talks. Major Deng Alor, a spokesman for the rebel Sudan People's Liberation Army (SPLA) in Addis Ababa, told Reuters, "ending the state of emergency and a ceasefire must go together. We can't cease fire if there's still a state of emergency."

VISIT. — French President Francois Mitterrand, accompanied by Foreign Minister Jean-Bernard Raimond, arrived in Lisbon yesterday for an official three-day visit.



AIDS. PREVENTION IS THE ONLY CURE WE'VE GOT

One of the "grim reaper" posters intended to shock Australians into increasing their awareness of Aids. (Reuters)

Very Important Diners

To negotiate or not to negotiate

Disarray in debate on Soviet Jewish aliya

To negotiate or not to negotiate, is the question at the core of the internal Jewish world debate about Soviet Jewish emigration.

One school of thought argues that the very process of negotiation is more likely eventually to close emigration gates than to open them, that there is something repulsive about negotiating for basic human rights, and that in any negotiation the Soviets have the upper hand because they never keep their word.

The other school of thought argues that the so-called "Gorbachev process" of change in the USSR, while not likely to lead to anything resembling Western-style democratization of the Soviet system, does open a window of opportunity for significant change in the Kremlin's policies vis-a-vis Jews and emigration. Negotiation is not only possible, but the only possibility, say the proponents of this view.

Ironically — and probably tragically — the very debate between the two schools of thought could harm efforts to open the gates, because the lack of unity — between Israel and American Jewry, and among American Jews — contributes to the overall confusion.

Prime Minister Yitzhak Shamir is the leading Israeli opponent to negotiating about mass emigration. His concern is to prevent the Soviets from posing the most difficult issue of all for Herutniks: people for land. At least once in the past, the Kremlin through its ambassador in Paris,

made something like such an offer. But somebody leaked the offer to the press, and the internal political debate became an argument over who was to blame for the leak and not the actual offer.

Politics could yet push Shamir into a corner on the issue. When asked about making emigration conditional on Moscow's participation in an international conference, Shamir said he had yet to hear about this, but if it came up, the issue would have to be judged on its merits.

Indeed, while the emigration of the 1970s was a bilateral issue between Washington and Moscow, in 1987, Moscow has a triangle of calculations, which include the Moscow-Washington leg, the Jerusalem-Washington leg, and a still very short Moscow-Jerusalem leg.

While being kept informed about the Moscow talks, Shamir never hid his discomfort about the Bronfman-Abram mission. But in the circles where nuance is watched carefully, it was noted that Shamir did not try to prevent the discussions.

Foreign Minister Shimon Peres is the leading Israeli proponent of negotiations with the Soviets. He was involved in planning discussions that Bronfman and Abram or their representatives had in Israel leading up to the Moscow trip. Peres believes that Gorbachev's efforts are first and foremost a reassessment of many of the basic assumptions about Soviet society, including assump-

tions about how to handle the Jewish problem.

While Shamir refers to developments such as releasing Prisoners of Zion, as "cosmetics" put on for a Western audience, welcome by themselves but signifying nothing, Peres believes that they are signals to the West — and to Israel — that the Soviets are ready for wider deals.

Bronfman and Abram went to Moscow with no mandate for negotiations that could actually turn into an agreement. As Soviet Foreign Ministry spokesman Gennady Gerasimov said, "things are not done that

ANALYSIS
ROBERT ROSENBERG

way." But they did go both as guests of Anatoly Dobrynin and in their capacities as officials of their respective organizations. And the two Jewish establishment figures went with a proposal that the Kremlin knew had been worked out with help from both Washington and at least the acquiescence of Shamir, as well as the cooperation of Peres.

Much of the criticism that hit them after leaving Moscow was a misunderstanding of what that proposal was all about.

Critics charged that they had only discussed the current list of refusniks, had forsaken emigration in favour of Jewish culture inside the

USSR, and had given up on economic concessions too easily. There were also charges of self-aggrandizement.

At least one aspect of the Bronfman-Abram discussions — direct flights and the possibility that Bucharest would be the transit venue — was announced by a relatively authoritative Jewish source before the departure from Moscow.

Bronfman and Abram were able to find some solace in Natan Sharansky's long-standing position, which is that 50,000 émigrés a year would be a logical benchmark for an appropriate response — U.S. economic concessions to the Soviets.

Abram's position was that direct flights for refusniks would be rewarded with abrogation of the Stevenson amendment — limiting trade credits — only when all the refusniks were out. He therefore saw the Sharansky statement, sent to him upon his return from Moscow, as helpful.

The next stage in the Bronfman-Abram proposal was the continuation of emigration to proportions that would enable the U.S. to begin waiving the Jackson-Vanik Amendment, which denies the most-favoured-nation benefit of lower tariffs. Their discussions hinged on the emigration process being long-term, staged, and leading up to a wider opening of the gates than for the 3,000 refusnik families awaiting visas.

But, the Sharansky statement could also be read as critical of Bronfman and Abram. Sharansky's specification of 50,000 is directly linked to the Jackson-Vanik amendment. It was the late Henry Jackson, the Washington Democrat who in the 1970s led the Senate fight for a linkage between emigration and most-favoured-nation status for Communist countries, who first cited 50,000 Jews a year as a benchmark.

Sharansky walks a very narrow path in the debate between the pro-negotiators and the anti-negotiators, and is as easily quoted by those who are opposed to dealing with the Kremlin as he is by those who are trying to negotiate.

The flurry of excitement about the Bronfman-Abram meeting lasted about as long as their trip to Moscow. But in another few days, U.S. Secretary of State George Shultz will be in Moscow. There will be a new flurry of excitement, and there are rumours that either during or immediately after the Shultz visit, the Soviets will release prisoners of Zion Yuli Edelstein and Alexei Magarik.

Some will see it as a gesture aimed at public relations. Others will see it as another signal.

Between those two different perceptions lies a gulf of suspicion about the other side's motives, interests, and competence to run the Soviet Jewish cause.

Druse municipalities to strike on Thursday

By ELAINE RUTH FLETCHER

For The Jerusalem Post
Druse municipalities will strike on Thursday if the government doesn't deliver a promised NIS 3 million to cover their 1985 deficits, a Druse leader said yesterday.

"If by Wednesday they don't bring the money then we're finished. We will go on strike," said Hamed Sa'ab, secretary of the organization of Druse local councils.

Sa'ab said the nine Druse local council heads had already delayed the strike for two weeks at the request of Deputy Minister Ronni Milo, who is in charge of the Interior Ministry. "Each day they said, tomorrow, tomorrow. Now we haven't got money to pay workers' salaries, for services or to pay debts," Sa'ab said.

Sa'ab also lashed out at government ministers for stonewalling a proposed NIS 20m. "equal opportunity" programme for Israel's Druse and Circassian communities, saying that "this will be another even stronger reason for the strike."

The programme ran into funding obstacles at Sunday's cabinet meeting when Finance Minister Moshe Nissim said he opposed a special budget allocation to cover its costs.

Instead, Nissim said, every ministry should "set its priorities so they

will be able to do this (equal opportunity) for the Druse and Circassian communities without any additional budget."

The equal opportunity programme first sponsored by Minister Moshe Arens, would give Druse and Circassian communities tax breaks comparable to those offered to Jewish development towns, and boost employment, housing and education opportunities to the same levels as available in the Jewish sector.

The programme calls for a total of NIS 140m. to be spent over five years, with 20m. to be allocated in 1987-88.

At the government meeting, Energy Minister Moshe Shalal (Labour) charged the equal opportunity proposal had arisen out of partisan political considerations.

But Sa'ab said the current proposal, a synthesis of Arens' original package and proposals made by three other Labour and Likud ministers, should not be consumed as a political hand out.

"It doesn't matter to us which party proposed it," he said.

"Out of a population of 100,000 men, we have 20,000 serving in the army. That's a higher proportion than in the Jewish community... We Druse want our obligations and we want our rights."

Social services lacking, two Arab groups charge

By LEA LEVAVI

Jerusalem Post Reporter
TEL AVIV — Discrimination has led to a drastic shortage of social services in the Arab sector, leaders of two Arab organizations charged here yesterday.

The two met with reporters to announce a conference on social services in the Arab sector, to be held Saturday in Nazareth.

Abraham Nimr-Husseini, head of the National Committee of Arab Local Councils, said that 12 social workers serve a population of 130,000 in Nazareth and more than 30 nearby villages. The same number of social workers provide for the Jewish city of Upper Nazareth, which has a population of 24,000, he said.

According to Nadwan Duayr, secretary of the Communist-linked organization of Arab college graduates in Nazareth, Israeli Arabs also face much worse social problems. He told reporters that unemployment is running at 20 per cent in the

Arab sector and that 72 per cent of Israeli Arab workers make less than half the average wage in the economy.

Duayr said a fifth of Arab children drop out of school before sixth grade, and 40 per cent fail to complete 10th grade. There are no truancy officers in the Arab sector, and only three community centres serve the Arab population, he said.

The initiative for Saturday's conference — as for similar ones in the past on health and education among Israel's Arabs — came from Duayr's group.

The independent Committee of Arab Local Councils and the Communist-linked Committee for the Protection of Arab lands are sponsoring the meeting. Representatives of the Social Workers Union, lecturers from university social work and sociology departments and Histadrut officials are to attend. The organizers hope that representatives of the Labour and Social Affairs Ministry will also take part.

Na'amat aiding man to get custody of children

By BRADLEY BURSTON

BEERSHEBA — The Na'amat organization has agreed to aid an Ashkelon man in his fight to win eventual custody of his three children.

Serge Lometre, a French Catholic who moved to Israel seven years ago with his Jewish wife and their three young children, claims that since his wife left the country two years ago he has been unable to see the children, now aged 11, 8, and 7.

According to attorney Simona Haim, engaged by Na'amat to represent Lometre, ongoing domestic strife prompted a Youth Court to rule in November 1984 that the children be placed in the care of their maternal grandmother for a period of at least three years.

"Meanwhile, in February of 1985, the mother of the children left for France and has never returned," Haim said yesterday. "In addition, contrary to the 1984 ruling, one of the children has been given over to the care of the mother's sister." Lometre has been forbidden to see the children since they were transferred to their grandmother. The grandmother has declined to comment on the case.

Among the factors complicating Lometre's case is that he and his estranged wife were never divorced.

Lometre has stated that he turned to Na'amat as a last resort, having few resources of his own and having "received total non-cooperation from other authorities."

As a first step towards regaining custody for Lometre, Haim this week petitioned the Beersheba District Court to allow her client fortnightly visitation rights, and the right to take one or more of the children, now aged 11, 8, and 7, to his home one weekend every month. The petition is scheduled to be heard next Tuesday.

Responding to questions raised by Na'amat's support of a father in a custody case, Secretary-General Masah Lubelsky said yesterday that while Na'amat remains an organization whose first priorities are the needs of women, the movement's legal department, after careful study of the case, concluded that Lometre's plight merited assistance.

"Ultimately the courts will have to rule in favour of the best interests of the children," she told The Jerusalem Post, "and we feel, therefore, that the matter needs to be examined as thoroughly as possible. If we can provide legal assistance to a man who has all but given up hope, we see this as almost a humanitarian obligation. We have no choice but to try and help him."

Fewer exemptions in women's military service

By BRADLEY BURSTON

BEERSHEBA — The number of women seeking exemption from army service on religious grounds has declined drastically over the past five years, according to OC Women's Corps Tat-Aluf Amira Dotan.

Speaking recently at a Ben-Gurion University seminar on "Women and Men in an Unequal Society," Dotan said that immediately following the government's 1977 decision to waive investigation of religious exemption applicants, the number of requests rose from 25 per cent of all prospective female draftees to 31 per cent. In the last five years, by contrast, the figure has declined to just over 24 per cent.

Dotan, the first woman to hold the rank of Tat-Aluf (Brig-Gen.), also indicated that as a result of recent efforts to increase the number of women soldiers in technological and instructional roles, the percentage of men holding administrative positions has been lowered since 1982 from 60 to 38.

Dotan said that the Women's Corps has traditionally suffered from the fact that reserve service by women is all but nonexistent, thus depriving the corps of valuable experience and perspective. Recently, therefore, a cadre of women academics has been recruited, and is regularly called to reserve duty to assist the corps in a variety of educational and organizational roles.

Asked about sexual harassment of women soldiers, in particular by male superiors, Dotan detailed the army's procedures for investigating victims' complaints. She said that the IDF is the only large institution in Israel that encourages women to speak out about sexual harassment.

"Because the army is composed of human beings, I don't believe that harassment can be entirely prevented, but we can and do support its victims and take action against its perpetrators," she said.

RE-ELECTED — Prof. Shmuel Perchias, director-general of the Hadasas Medical Organization, has been elected to a second two-year term as head of the Association of Hospital Directors.

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היפרכול

GERMANY/ISRAEL

The special relationship

In the German view, there are a number of unique features which characterize West Germany's relations with Israel. *The Jerusalem Post's* Bonn Correspondent Wladimir Struminski examines these ties and notes that 'it is the strong human component' which gives a positive meaning to the special relationship which ultimately stems from the shadow of the Holocaust.



IS THERE a special relationship between Israel and West Germany? Politicians from both countries make ample use of this term although mere "normal" relations with a special background has also become a quite popular term in Germany's political lexicon. The word "normalization" for German-Israeli relations is also sometimes used in the Federal Republic, even though a question mark is usually added.

In a conversation with *The Jerusalem Post*, an official in Bonn pointed to a number of features which, in the German view, are unique in characterizing West Germany's relations with Israel. These include youth exchanges, partnerships between West German and Israeli organizations and cities, close economic relations, scientific cooperation and Germany's reparations to victims of Nazi persecution.

Such a list raises two questions: To what extent are these features unique to German-Israeli relations and to what extent do they establish a special overall relationship?

First, it goes without saying that a large part of German-Israeli contacts would have never come into existence were it not for the dark chapter of the Holocaust. This does not mean German politicians and private citizens who sought such contacts did so for propaganda purposes. On the contrary, there are, and have been, many Germans who have sincerely tried to build whatever

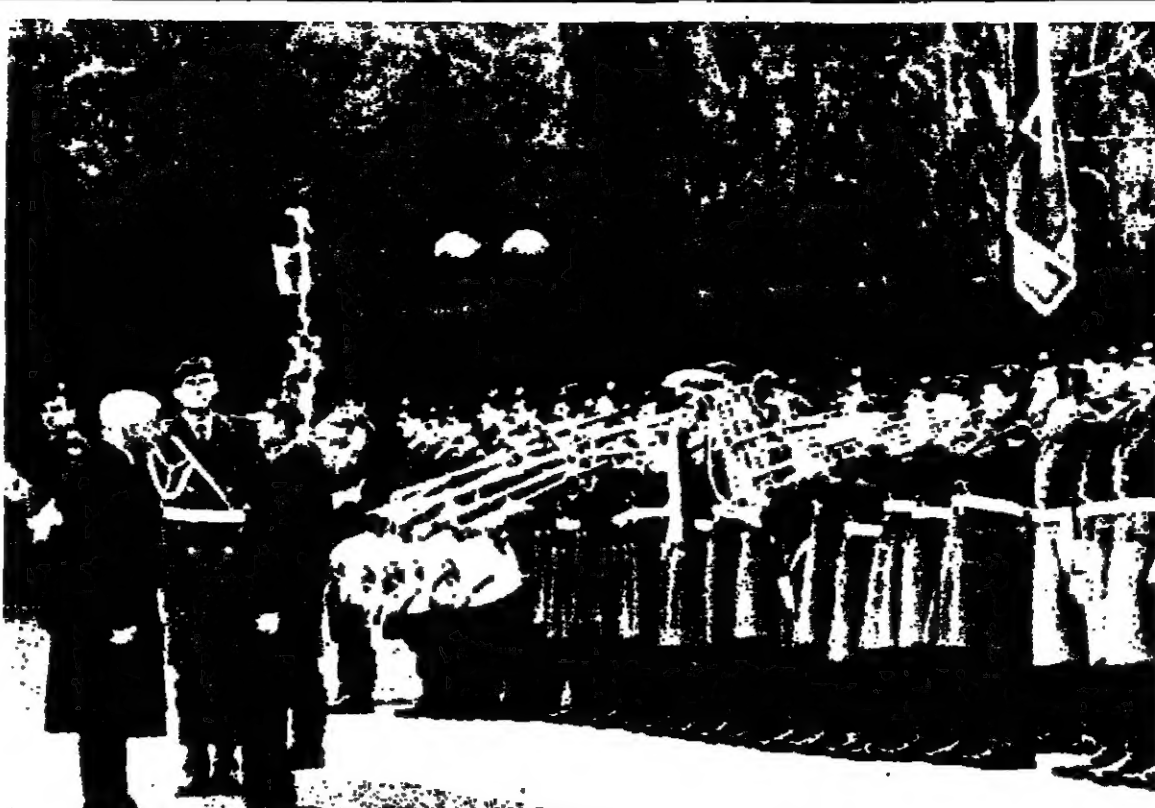
bridges are possible over the abyss of Auschwitz; and Israel does have true friends in Germany.

Still, in political terms, the definition of a special relationship needs qualification. Thus, German compensation legislation was not directed specifically towards Israel or even Jews as such, but rather applied to Nazi victims irrespective of their Jewishness.

The close economic relations - Germany is Israel's second largest trading partner in the world - are mainly a function of Germany's economic size. After all, the Federal Republic was one of the world's largest exporters last year. It is the largest trading partner for a number of countries. Also, German exports to Israel exceeded imports from Israel by 2:1 in 1986 according to German statistics, and by an even larger amount according to Israeli trade data.

But some things are uniquely motivated by the past. It is hard to imagine that Germany would support Israeli scientific research with some 20 million Deutschmark a year without its commitment to a special relationship. Also, Germany and Israel last year established a bi-national research and development foundation which is a unique form of scientific international cooperation for Germany.

Political relations between the two countries are defined in Bonn as



President Chaim Herzog, accompanied by West German President Richard von Weizsäcker, bows before the West German flag on arrival in Bonn yesterday. (Reuter)

good and friendly, and, in some areas, as extraordinarily intensive. In Israel, one often hears that Germany is Israel's most important partner in Europe.

Germany tried to support Israel's interests in the recent negotiations between the European Community (EC) and the Mediterranean countries on future agricultural exports to the EC. Bonn is also known for trying to influence EC Middle East policy in Israel's favour, at least in relative terms, and here too, Bonn is motivated by the past. Until now, it has also refrained from liberalizing arms exports to Arab countries, despite pressures to the contrary.

ALL THESE historically-conscious German positions deserve being named and acknowledged, but if they constitute a kind of a special relationship in the political sense, there also are clear limits to this specialness. Despite its positive role within the EC framework, West Germany does not conduct a Middle

East policy of its own. Contrary to the U.S., it has not granted Israel the status of an ally, nor is it instrumental in safeguarding Israel's military capability or economic stability.

Of course, Germany cannot be expected to play the global role of a superpower. Germany's national interest, as perceived by a wide consensus in West Germany, demands its close integration in both NATO and Western Europe and Germany is a driving force behind the bid for more European unity.

Also, precisely because of the lessons it has drawn from the past, West Germany has prohibited itself, by force of constitution, to use military power for purposes other than its own, and, by extension, its allies' defence. Therefore, Germany has no intentions to sacrifice its vital interests in Europe to support Israel.

While Israel, wisely, does not demand it, Israeli disappointment about German Middle East policy (or non-policy) is sometimes felt. In one

case, Israeli and German interests clashed and Germany let it be known that its limits of consideration towards Israel had been reached. This happened when Israel questioned the export of German-British-Italian Tornado fighter jets to Saudi Arabia. Since the deal was clinched by the British and West Germany has never demanded a veto right against such exports, Bonn made it clear that a German veto against exports of joint weapons systems would jeopardize the European armaments cooperation. As such cooperation is considered essential for Europe's defence against the Warsaw Bloc's military threat, Germany said it allotted the joint European defence production a higher priority.

Not all the facts involving Israeli-German relations have been made public. This applies particularly to defence-related contacts which are reported to be "quite good" by knowledgeable German sources. Some public attention on this ques-

tion was raised during the visit to Israel by Bonn's Defence Minister Manfred Woerner in April 1986.

ON THE political level, then, German-Israeli relations are particularly close - for two countries which are not partners in either a military alliance or in a supra-national economic and political organization. Within this definition, relations can fluctuate but as far as is known, they have become closer during the last years in spite of political irritations such as the Pitzburg affair in 1985.

The very occurrence of such an incident highlights a peculiar trait of Israel's political action vis-a-vis Germany. On the one hand, Israel is obliged, by history and conscience, to remember, and recall the Holocaust and its consequences for the Jewish people. On the other, after having decided in the Fifties that a new Germany should not be boycotted, it now has a political duty to cultivate Israeli-German ties. It is little wonder that on the emotional level, relations between the two countries will remain very special indeed for some time to come.

On both sides, emotions, of whatever kind, are easily triggered off. Most politically conscious Germans realize there is a special Jewish and Israeli sensitivity towards their country. Even though many Germans find it sometimes difficult to cope with this - and some refuse to cope

with it at all - for the most part there is a basic understanding of Israel's attitude.

The involvement of individuals who felt personally committed to friendly relations with Israel and established personal friendships with Israelis was, and still is, instrumental in giving German-Israeli relations a friendly edge on the non-government level. Thus the youth exchange programme, even though it is supported by the government, could not have reached its present intensity but for the numerous youth workers, teachers, educators and others in Germany who made it a personal issue. The same is true of the some 30 partnerships between German and Israeli towns. Uniquely close relations exist between the Histadrut and the German trade union federation DGB. In 1975 the two labour federations signed a partnership agreement that is the only one of its kind for both of them. Eight out of nine DGB district organizations, too, maintain partnerships with Histadrut districts.

While it may be remarkable enough that the Jewish state and the German state which views itself as the successor - even though in the form of an antithesis - of the Third Reich maintain friendly relations, it is the strong human component which provides the claim of "special relations" with a positive note in addition to the terrible meaning it has in the shadow of the Holocaust.



Public protest in 1965 in Jerusalem as the first German ambassador to Israel presents his credentials to President Shazar. (David Harris)



The famous 1960 meeting between David Ben-Gurion and West German Chancellor Konrad Adenauer in New York's Waldorf-Astoria Hotel.

Trade ties

It's not only BMWs on their way here

Ken Schachter

AS PRESIDENT Chaim Herzog travels through West Germany, he will see a prosperity built on a massive wave of exports. The most visible signs of West German exports to Israel are the BMWs and Mercedes on the streets. Less visible but no less important are the cocoa and sugar familiar to buyers of Israeli-produced Vered Hagall chocolate bars.

Indeed, so successful has West Germany's trade machine become that last year West German total exports leaped 32 per cent to \$245 billion, surpassing the U.S. for the first time since World War II. Bonn's glowing trade figures for 1986 can be traced in large part to the mark's 85 per cent appreciation versus the dollar. In inflation-adjusted terms, U.S. exports rose 4.5 per cent versus 1 per cent for West Germany. Still, there's no mistaking the world's appetite for West German goods.

How is tiny Israel faring in its trading with the European economic powerhouse? As one might suspect, trade in goods has been somewhat one-sided, with West Germany exporting to Israel about twice as much as it imports. In 1986, for instance,

West Germany set a new bilateral trade record, exporting \$1,331 billion, compared with Israel's exports worth \$651.2 million. Even in 1985, Israel's peak year for exports, the ratio has been roughly the same: \$721 million for Israel versus \$1,265 billion for West Germany.

Does Israel's 9.7 per cent decline in exports to West Germany for 1986 bode ill for the future? Not necessarily, argues Dr. Uwe Neubauer, economic counsellor at the West German Embassy. He notes that Israeli exports to his country have grown steadily, from \$111 million in 1967 to \$611 million in 1980. Perhaps more important, he says, is an increase in the categories of "finished" and "almost finished" goods. These two categories - which include diamonds, chemicals and processed foods - were the only ones to register increases in 1986.

"This is probably the future of Israeli exports," Neubauer says. "Finished goods probably will go up further." While Jaffa oranges may keep their appeal, he says, Israel increasingly will be associated with processed foods.

Also, on a regional basis, Israel

Towards one Germany

Mark Frankland/Bonn

A DOOR opens and an elderly man steps into the wood-paneled corridor. He is elderly but as straight and trim as a toy soldier out of a new box. His thin face arranges itself in a little smile. Erich Honecker, the East German leader, is about to meet another politician from the West.

The scene was repeated over and over again for the television cameras at the beginning of last week. A posse of West German state premiers, mayors and other politicians had gone to the opening of the Leipzig Fair and all of them, including the supposedly arch conservative Bavarian premier Franz-Josef Strauss, behaved as though meeting Erich Honecker was the greatest pleasure life has to offer.

Commerce had something to do with it. Trade between the two Germanies is considerable, last year's turnover of \$7.5 billion was a poor one. But there was more to the visit than money. The Federal Republic is slipping into a state of anticipation about East-West relations, pleasurable to some, anxiety-inducing in others.

The reason for this new atmosphere has as much to do with things German as the new smiles and "new

sentence ended with a shrug.

Anticipation over closer ties is now focused on a puzzle. This year East and West Berlin both celebrate the city's 750th anniversary. Honecker has invited Eberhard Diepgen, the young and ambitious Christian Democrat mayor of West Berlin, to attend the main ceremony in the East in October.

The federal government this month decided to trump Honecker with a counter invitation for him to a ceremony in West Berlin next

month. It was assumed he would refuse - his earlier plans to visit West Germany have always collapsed under Soviet pressure - and thus conveniently prevent Mayor Diepgen from going East. But against everyone's expectation there now seems a chance he might accept. Behind the disciplined smile Honecker puts on for visitors may be the calculation that an East German leader, too, can benefit from a mood of national togetherness.

(London Observer Service)

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British Prime Minister Margaret Thatcher went to Moscow 12 days ago carrying the hopes of many people for improved relations with the Soviet Union. She also took with her the special hopes of all those in Israel, Britain and the United States who feel a personal closeness to individual Jewish families in the Soviet Union. Some of these families have struggled for well over a decade to obtain their exit visas.

Before leaving for Moscow, Thatcher received many personal appeals from inside the Soviet Union itself, from dozens of Jews in Russia who understand the extent to which her visit could lead to a re-examination of their own individual cases. She was aware, too, of the wider problem; of the substantial scale of would-be Jewish emigration; if only the gates could be as open as they were a decade ago.

One of the appeals on Thatcher's desk before she left London had been sent to her from Israel on behalf of a Leningrad refusenik,

Michael Beizer, the historian of the Jews of St. Petersburg. For seven years Beizer had been trying in vain to join his young son in Israel. That son's telegram to Thatcher read: "My name is Alex and I am 10 years old and live in Israel. I have not seen my father Michael Beizer for seven years. He lives in Leningrad and he is a refusenik for seven years. I miss my father very much. Could you please ask Mr. Gorbachev to permit my father to come to Israel. I want to be like the rest of my friends who see their fathers and play with them. Please help me."

This telegram was dated February 25. Thatcher left for Moscow on Friday, March 27. That very day, Mikhail Beizer was told that he now had his exit visa, and should collect it on the following Monday.

Michael might also have mentioned that Thatcher's immediate response to his mother's appeal from Leningrad in August 1984, when five refuseniks wrote for her help, may have been a factor in her (and his

Not yet reality

By Martin Gilbert

own) exit visa. Before leaving for Moscow, Thatcher received a special request from those British Members of Parliament and Peers who are members of the All-Party Parliamentary Committee for the Release of Soviet Jewry. They asked the prime minister to raise with Mr. Gorbachev the plight of the seven long-term refuseniks who had in the past been winners of their annual award for "Outstanding services to Soviet Jewry." The seven are Vladimir Slepak, Vi-

tor Brailovsky, Yuli Kosharsky, Alexander Lerner, Natalia Khassina, Yosef Begun and Ida Nudel. All have been refuseniks for 15 years and more. Four are former prisoners of Zion.

On the eve of her departure, Thatcher had also received a handwritten letter from Ida Nudel, in the course of which she told the prime minister: "My heavy marathon race has been running more than 16 years already, and it is beyond the comprehension of a human being's reason to catch the meaning of Soviet stubbornness in my particular case."

After re-iterating that she had never known any secrets, Ida Nudel added: "I am 56 years old already. I have lost my health, I am outcast from society, and they consider me as the first enemy. It is not an easy task for any human being to live such a desperate life."

In sending this letter to Thatcher, Nudel also sent a covering letter to the friend who was her emissary, in

which she wrote: "I hope that you do understand how strange, full of uncertainty and heavy presentiments our life is now. With every day stormy clouds are gathering above our people here. I think that now we are approaching the turning point in the history of Soviet Jewry. Our fate and even our lives depend on the toughness of your position, the position of free people in the free world."

"I hope," replied Thatcher, "that my visit will bring some improvement to the position of the refusenik community."

Not only for the 12,000 known refuseniks, but for the many hundreds of thousands of Soviet Jews who might wish to leave, Ida Nudel's words are a clarion call of hope and fear combined. For them, Thatcher's visit offers a potential turning point in their fate. One can only hope that the turning point has come. As of today, however, for all but a handful of those who wait, it remains a hope, not yet reality.



Leonid Yuzofovitch is entering the 19th day of his hunger strike today. The Moscow activist, who has been a refusenik since 1979, sees this as the only way to draw Soviet and world attention to his plight. Yuzofovitch, 38, and his wife Katia Glosman, 34, who is pregnant with the couple's fifth child, want to join their family in Israel but their applications have been constantly denied. Yuzofovitch recently organized the demonstration in Moscow for Yosef Begun.

(Text: Andria King)

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News Calendar



Some of the women refuseniks whose hunger strikes are continuing (Israel Public Council for Soviet Jewry)

This is the real obstacle for detaining the family in the Soviet Union. Both were dismissed from their respective jobs upon submitting applications for exit visas in 1979. Their daughter, Anna, 29, a gifted artist, was expelled from the Academy of Arts. Inna is seeking to be reunited with her sister, Shauli Rozhansky, whom she hasn't seen in 16 years, and her mother, Paulina, 87, whom she hasn't seen in 12 years. Both of them live in Tal El, a settlement in the Galilee.

Write to: USSR; Leningrad; Petrovovets; Kominternus 2, Apt. 56, Leningrad, Inna and Boris.

Today, Vladimir Tufeld, 59, a refusenik since 1977, was told by telephone by Gennady Gerasimov, the Soviet Foreign Ministry spokesman, that he "knows too much" and therefore would not get an exit visa.

Vladimir left his job as an electronics engineer with security clearance in November 1973. Tufeld and his wife, Izabella, have been separated from their only son, Igor, for a decade, and have never seen their grandson, Daniel, who was born in Israel.

Other statements by individual hunger-strikers included:

Inna Ioffe: "We are full of determination to use every means at our disposal to get permission to emigrate."

Nine Nadgornaya: "We hope this attempt to draw attention to our plight will be the step which will help all of us to leave this country."

Yudif Lurie: "Separated from my mother, Rita Kulbak, who has been living in Israel more than seven years, we recently received yet another refusal. We have been denied an exit visa because of my husband's alleged knowledge of 'state secrets' - but after 23 years this secrecy is no longer applicable. I think that a 23-year-term is quite sufficient for any kind of secrets to become obsolete... There are many refuseniks, like me, here and, thus, the problem of 'secrecy' is acute."

Zhanina Zukata-Udalova: "Our family has been a refusenik family for the past eight years... No grounds have been given for our continuous refusals. Our hunger strike is an act of despair, since there are simply no other means to fight for our most natural right - the right of being able to live where we wish to live and not where we are being forced to live."

Alla Piatovskaya: "My family and my daughter, Yulia Roginskaya, have been receiving refusals since 1981 despite the fact that my daughter wishes to reunite with her father, Dan Roginsky, who resides in Israel. The authorities claim that my daughter's father is not a sufficiently close relative of our family and, thus, our applications are denied."

March 23

Eight Leningrad refuseniks held a public demonstration today near Smolny Palace, the site where the Bolshevik Revolution began in 1917, and now the location of the regional Communist Party Headquarters. Carrying aloft signs reading "LET US GO TO ISRAEL" and "LET OUR PEOPLE GO", the demonstrators included, Alik Zelichenok, Ida and Aba Taratuta, Boris Lokshin, Mikhail Beizer, Lea Shapiro, Inna Rozhanskaya Lobovikov, and Elena Keiss-Kuna. Prior to their demonstration they sent a message to Mikhail Gorbachev in the Kremlin: "We have endured problems for many years for our right to leave for Israel, for our right to be reunited with our relatives, our friends and our people. However, Soviet officials say no again and again... WE are living examples of the proclaimed course of 'democratization' and reality in the case of emigration policy... We cannot and do not want to wait any longer. If not now, when?"

March 25

Former prisoner of Zion Dr. Alexander Paritsky, who celebrated his 49th birthday earlier this month, left his job as a senior scientist at the Gosstandart Institute, a research institute in Kharkov, before submitting his application for an exit visa in 1976. The family was refused visas in January 1977 on the pretext that Paritsky had been exposed to "state secrets", even though his more than 30 scientific papers had been published in open scientific journals.

This month, the KGB informed Paritsky it is not opposing his exit visa, but that it is being blocked by the research institute. Previously he had been harassed and insulted by Ovir officials. This time they greeted him politely but made it clear that he would not be allowed to leave the Soviet Union. At the research institute, Paritsky was told that they are not presenting obstacles to deter him being allowed to leave the Soviet Union for Israel.

Paritsky, who organized a Jewish University in Kharkov for refusenik children, will soon be the last Jewish activist in Kharkov, together with his wife, Polina, 47, and daughters, Daria, 21, and Anna, 15.

Write to: USSR, UKRSSR; Kharkov 91; Tankopis 19/248; Paritsky, Polina and Alexander.

Former prisoner of Zion Victor Brailovsky, was told by General Butsuev of the Ministry of Interior that his wife Inna's knowledge of "state secrets" was still relevant, despite previous official conclusions in 1978 to the contrary. At that time a special commission led by Professor Anatoly Logunov of Moscow State University determined that her work as a mathematician was in no way connected with "state secrets."

Victor, 52, a cyberneticist, was informed that Ovir, therefore, will give him a negative response on his request for an exit visa for his family. He will renew his application to visit his aged and ailing father in Israel.

March 26

A group of refuseniks, including Inna and Igor Gurevich, Nadezhda Fradkova, Natasha Ratner Magarik, Erlina Matlina and Semion Yantovsky, Marta and Pavel Abramovich, Faina and Yakov Rahlenko, and Milla Volvovskiy, among many others, have addressed an appeal to Andrei Gromyko, Mikhail Gorbachev, Eduard Shevardnadze and other Soviet officials, imploring them to allow them to go to Israel: "We do not wish to become heroes, but the many years of difficult life as refuseniks (15-17 years) forces us to take extraordinary steps in order to bring about a speedy solution for our

March 29

Former prisoners of Zion recommend the implementation of a reparations agreement between the USSR and Israel to the Chairman of the Presidium of the USSR, Nikolai Ryzhkov, and to the Prime Minister of Israel, Yitzhak Shamir. They urge them to carefully consider their suggestions, and take appropriate steps to their realization. The following elements should be included: Every Jew should have the right to leave the USSR without having to explain the reasons for making this decision and independently of the existence of relatives in Israel; once refused an exit visa for security reasons, one should be given an explanation in writing... with the exact period of refusal determined. Visas should be given automatically at the end of this designated time. The Soviet Union should permit all prisoners of Zion to emigrate to Israel and re-evaluate the cases of all long-term refuseniks who have waited over 10 years for exit visas.

They want a special agency to be set up to review all refusals.

The signatories include: Victor Brailovsky, Leonid Volvovskiy, Yakov Levin, Vladimir Kislik, Alexander Magidovich, Alexander Paritsky, Kim Fridman, Alexander Kholmiansky, Boris Chernobitsky, Lev Elbert, Yosef Begun, Grigory Geishes, Stanislav Zubko, Felix Kochubievsky, Evgeny Lein, Osk Lokshin, Ida Nudel, Vladimir Slepak, Nadezhda Fradkova, Vladimir Zuckerman, Simon Shnirman, Alexander Yakir and the wives of prisoners of Zion, Natasha Ratner Magarik and Tatiana Eselshtein.

APRIL 1

Inna and Lev Elbert are continuing their hunger strike, which began on March 5, despite appeals to end it by Israel's chief rabbis.

The Soviet Jewry page, which appears fortnightly, is edited by Louis Rapoport.

Two-time Prisoner of Zion Simon Shnirman (left), his wife Lisa, and former Prisoner of Zion Volodia Zuckerman (right), all from Kishinev, were informed in recent days that they will be granted exit visas to Israel.

(Louis Rapoport)

Hunger strike for Magarik

For the past 14 days Vladimir Magarik has kept a hunger strike in front of the London Aeroflot Office to draw world attention to the plight of his prisoner of Zion son Alexei.

In Jerusalem during that same period World Union of Jewish Students Chairperson Yossi Abramowitz has also fasted in solidarity. They are both part of a world-wide effort to ensure that during a time of increased optimism about Jewish emigration, the public not forget the imprisonment of remaining prisoners of Zion

Magarik and Yuli Edelstein.

Neither was mentioned in the joint statements released by Morris Abram and Edgar Bronfman during their recent Moscow visit.

"The Abram-Bronfman trip did produce significant results," says Abramowitz, whose organization is heavily supported by World Jewish Congress President Bronfman, "but we expect more: there should be no repeal of Jackson-Vanik without the remaining prisoners of Zion being released."

- CALEV BEN-DAVID

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April 1, 1987

For workers, a piece of the stock

An American comes with the gospel of employee stock ownership plans.

By SIMON LOUISSEON
For The Jerusalem Post

TEL AVIV. — The Reagan administration is preaching the benefits of employee stock ownership, both within America and outside. And recently one of its high priests, Norman Kurland, deputy chairman of the presidential task force on "project economic justice," visited Israel to spread the word.

The concept of the employee stock ownership plan (Esop) is not just supported by Reagan. Congress has enacted some 18 laws recently, particularly in the tax area, to encourage such schemes. The theory is that when workers own equity in the companies they work for, the companies perform more efficiently, workers are more motivated, they stay longer (especially in high technology sectors), there are fewer disputes with management and the public image of the company is more acceptable.

The unwritten programme agenda is that share ownership is perceived by participants as more acceptable, union strength is undermined, and the general precepts of capitalism are strengthened.

The decision to export the philosophy was taken to try and create a new property class in countries where capitalism is under threat without taking old property from the rich. Worker buyouts of government enterprises, land reform through allowing farm worker profit-sharing and new ways of creating capital from the ground up, are some of the aims of the project.

The bipartisan task force sees Latin America as a political time bomb and the plan to foster Esops is one weapon in the counter insurgency war. Kurland's task force advocated that expanded capital ownership be a new cornerstone of future U.S. economic policy.

At a Tel Aviv gathering of businessmen, government and union officials, last week, Kurland explained that he does not see the Esop as a panacea, but the task force wanted a global economic policy which "went beyond dollars and cents and was more than a fable."

"The Esop technology recognizes that future ownership is linked to who has access to capital credit. If a society channels credit to the few, then few own the means of produc-



"The Esop technology recognizes that future ownership is linked to who has access to capital credit. If society channels credit to the few, then few own the means of production," he said.

The U.S. experience has encouraged the task force. More than 10 million workers in 7,500 companies participate in Esops, compared with around seven million in 1983. Not stated, but also true is that this is nearly equal to the number of members lost by labour unions during that time.

An interesting aspect of Esops is that they tend to be employed by either hugely successful companies or ones that are just scraping by. Some 44 of the 100 fastest growing companies in the U.S. have adopted some form of Esop. At the other end, Esops have often been enacted as a last resort where the employees are offered the company as an alternative to closure. A classic example of this was the 1975 leveraged buyout of Weirton Steel, owned by the National Steel Corp. which has turned the company round into the most profitable steel company in the U.S. today.

To what extent is the Esop technology applicable to Israel, the country which has instituted at least two unique forms of industrial democracy — the kibbutz and the Histadrut? Esops have not taken on in Israel because of the existence of the Histadrut, which controls one third of the economy, while in the private sector it is almost non-existent because managers have been

reluctant to share the cake and have been slow to recognize the benefits, according to Professor Arye Globerson of Tel Aviv University's labour studies department. The third party in the equation, the government, is unwilling to offer encouragement in the form of tax benefits as has the U.S.

Globerson says that despite the



"There are problems with the mentality of the Israeli worker. Already the gatekeeper knows more than the director-general."

Histadrut's ideological commitment to industrial democracy, the reality is "practically meaningless" and workers in a Hevrat Ha'ovdim-controlled company are treated no differently than in the private sector.

He says the Histadrut's attempts to involve the workers in management have been unsuccessful for the most part because a standard model has been imposed from above. He also suggests that the industrial democracy section of the Histadrut has been largely ignored because it has always been controlled by Mapam, the left-wing of Labour.

The two main areas of promise according to Globerson, are where companies are failing — a very fertile area in Israel — and where there is "advanced" management that considers labour a full and real partner. On the first, Globerson is at a loss to explain why more worker buyouts haven't been encouraged given the high socio-economic cost of the many bankruptcies here. The Histadrut itself is ambivalent

towards Esops. Raya Rettig, chairman of the industrial democracy section, says that in the U.S. stock ownership schemes usually involve little worker participation in management. She would like to see workers involved as shareholders but also working in a more democratic work environment. One of the major problems here is that workers do not wish to be involved and don't see the importance. On the one hand, workers do not have the spare cash to buy shares, and on the other hand, most firms here are so unprofitable that there is no rush to become investors.

One other factor is that Esops in the U.S. are often a substitute for pension schemes and because the importance of the pension in Israel workers are hesitant to endanger them, says Rettig.

Rettig also sees the Esops as "a very elegant way to break the unions." She calls it the "new capitalism," and she and many like her within the union movement still believe in the power of organization.

"I'm very cautious. It can be done but it must be done very carefully."

The line taken by the Manufacturers Association is equally cautious. Interest in the Esop concept was stirred by Kurland's visit, but the association has not formulated a policy yet. The suggestion — from labour sources is that manufacturers are unwilling to share profits or try new methods of improving productivity.

"I'm not sure Esops are suitable to the Israeli experience," says Yossi Gattegno, head of the association's labour and human resources section. He believes that techniques such as the Japanese quality circle might be more applicable here.

"There are problems with the mentality of the Israeli worker. Already the gatekeeper knows more than the director-general, heaven knows what will happen if he gets a greater say," says Gattegno.

But Gattegno admits that Israel has lost the productivity growth impetus it had in the late 1960s and certainly needs some technique such as the old productivity councils to bring Israel into line with the rest of the West. However, for the moment the association is unlikely to endorse Esops.

Kurland himself says that before Esops can be introduced the problem must be recognized. It seems that manufacturers here are unwilling to see Esops as a solution because it could raise costs; unions are lukewarm on the issue and have higher priorities, and the government has no spare cash to encourage such schemes. It is likely to be some time before Esops take on here on any wide scale.

BANKING ON IT/Pinhas Landau

Targeting your customer

The two banks examined in this final instalment on the subsidiaries of the major commercial banks again demonstrate that if small banks don't have a clear sense of what they want to do and who they want to serve, they are likely to come a cropper.

Take Finance and Trade Bank (F&T), part of the Mizrahi group and jointly owned by Mizrahi and its mortgage subsidiary, Tefahot. The problem of split ownership is compounded by the fact that F&T, as a member of the infamous bank share "regulation" league, is now in the "bank share arrangement" and is therefore a candidate for nationalization, along with its larger fellow-regulators. What all this means is that the bank has potential or latent ownership problems, which in the case of a small bank can only serve to deepen its identity crisis.

F&T has a long and checkered history. It passed through several private owners, including a period when it was viewed as a highly successful example of private enterprise. That was before it wound up in receivership, from which Mizrahi rescued it in 1979. It has a full banking licence and became a publicly quoted company in 1982, but Mizrahi — in those days at the height of its manic expansion under Aharon Meir — had the idea of turning it into an investment bank (or, as the British call these entities, a "merchant bank").

In those days, this idea was very fashionable, and Leumi, for example, went ahead with Leumi and Co., and succeeded in losing hefty sums of money. Mizrahi, however, never got that far.

By the time David Blumberg left Finance and Trade Bank, he had established an import/export department, a new issues department, an internal controller and a sense of purpose for the whole enterprise.

In 1981/82, as the "boursamania" reached its climax, F&T was hijacked, in effect, by the Rieger/Fishman circus that was then establishing almost uncontested mastery of the lunatic asylum which the Tel Aviv Stock Exchange had by then become. The Rieger/Fishman mutual funds, which set the pace for the hordes of hangers-on who lapped up every morsel of information about the doings of the great duo, operated through F&T, and the bank became a glorified brokerage office. In the aftermath of the destruction of the Rieger/Fishman group, in the massacre of January 1983, F&T was left as devoid of real business as a burnt-out hulk is of cargo.

Mizrahi itself was not in great shape either, and had no time or patience to figure out what to do with its subsidiary. In 1985, however, Meir sent one of his more capable lieutenants, David Blumberg, to take over as managing director. Blumberg is one of the more innovative executives in the banking system, having jumped ship from the Bank of Israel before the system could swallow him. He arrived at F&T with a clear idea of what he wanted to do there and set about doing as much as he could, given the prevailing circumstances.

By the time he left a few weeks ago, handing over to Aharon Hildesheimer, he had established an import/export department, a new issues department (the core of the projected investment banking division) an internal controller and a sense of purpose for the whole enterprise. He envisaged F&T acting as the investment banking arm of the whole Mizrahi group, rather than

doing some or all of the same things that the parent does. That could provide overlapping and unnecessary competition — from which the smaller bank, reliant on the parent for services, could only lose.

By extension, Blumberg took F&T right out of retail banking. He set his sights on small (\$1 million — \$5m. turnover) companies with rapid growth rates that were interested in getting into exports. With a few dozen of these, he believed he would have it made from every angle. He would provide the credit they needed, directly or through Mizrahi and Tefahot (e.g., for contractors), the foreign trade expertise, and investment banking services such as share and bond issues, whether private placements or public issues, whether in Israel or overseas.

Blumberg was interrupted in this project, when the new Mizrahi chief executive recalled him to the parent and made him head of the international division. It remains to be seen whether the group's new hierarchy, which includes a totally revamped board, a new CEO and, at F&T, the chairmanship of Moshe Man of Tefahot and Hildesheimer as the new CEO, will continue along the same path. Meanwhile, the bank's deposits and loans to the public both grew by around 30 per cent last year after inflation, while the tax-distorted profit figures nevertheless show a rise in the underlying profitability from real banking activity.

The exact composite of F&T, in terms of business strategy, is to be found at First International's Bank Poalei Agudat Yisrael (Pagy). Founded in 1977 by the Poalei Agudat Yisrael political party and its affiliated bodies, the bank was bought out at the turn of the decade by First International, which holds 65 per cent of both the equity and voting rights. Pagy's sole Knesset member (elected on the Morasha label), Avraham Verdirer, is the chairman and attentively attends every board meeting. But organizationally, managerially and in business practice, the bank is fully part of the no-nonsense, hard-nosed, First International Group.

Its place within the group is straightforward: It offers retail banking services to the ultra-Orthodox community, and thus is distinguished from its parent solely by the client base it reaches out to, but not in the services it offers or anything else.

Bank Pagy, as it is referred to, is a small outfit, even by the standards of small banks. Finance and Trade, with total assets of NIS 85m. at the end of 1986, is nearly twice as big as Pagy, with its NIS 48m. But even that figure is a sharp rise over 1985's NIS 33m. — and that hints at what is happening.

The evidence suggests that Pagy is taking off. Although most of its pre-tax profits end up at the Treasury — a situation that should change this year because of tax reform — its operating profitability has been very good. Now it could become phenomenal in percentage terms, because last year the bank increased its loan portfolio by hundreds of per cent, from NIS 5.5m. to NIS 19.8m. These lucrative loans to the individuals and small businesses that are Pagy's clientele are likely to start pumping in profits at a rapid clip, starting this year. Furthermore, the bank's whole orientation toward shekel accounts, both deposits and loans, makes it exceptionally well-placed to benefit from the retail banking boom that is the major money-spinner in Israeli banking today.

In short, the tiny Pagy is to First International, what First International itself is to Bank Leumi, in that it has only the good, juicy things from which lots of profit can be squeezed, and none of the burdensome clutter of past problems. If the persistent rumours that Pagy is No. 1 candidate to buy out the rump of North American Bank turn out to be true, the rate of growth could be even more rapid for this emerging high-flyer. (Last in series.)



CROSSWORD

ACROSS

- 7 Fresh start for one after a long sentence (9)
- 8 Finally checked in a match (5)
- 10 What the curate felt it would be to complain about his egg? (5,5)
- 11 & 12 Eminence could be a church day, he discovered (6,4)
- 13 Birds electing places in Russia? (8)
- 15 Many bids for a store of money (7)
- 17 Wise man takes a cut in payment to avoid the army in feudal times (7)

DOWN

- 20 Slip along and freeze the fish (5,5)
- 22 Time for reflection (4)
- 25 Scandinavian corner of Paradise? (6)
- 26 Observes sailors in a dazed condition (3,5)
- 27 Protagonist in a dog-fight? (5)
- 28 Hold-up rather in the nature of a leg-pull (9)
- 1 False god with middle name that's commonplace (5)
- 2 Cloak for man in the New Testament (6)
- 3 Idealistic campaigner (8)
- 4 Seems to be a notably soft fruit (7)
- 5 A expert confined by a painful complaint is no stop-at-home (8)
- 6 Study for one with his head in the clouds... (9)
- 9... or on the pillow? (4)
- 14 Tinder — just for luck, say (9)
- 16 Quick, yes, rounding the old copper, but they won't run (4,4)
- 18 Antipathy shown to a swindler with charm (8)
- 19 Greek hero brought colour to America (7)
- 21 A river on the ebb in Italy (4)
- 23 Doesn't affect the pot (6)
- 24 Part of the service, I believe (5)

Yesterday's Solution

ACROSS: 1 Forth, 4 Wright, 9 Romance, 10 Laser, 11 Anne, 12 Signals, 13 Gat, 14 Slur, 16 Take, 18 Toe, 20 Advance, 21 Scot, 24 Moral, 25 Spatula, 26 Retort, 27 Pitch. DOWN: 1 Format, 2 Roman, 3 Hind, 5 Relegate, 6 Goshawk, 7 Thrush, 8 Feast, 13 Granular, 15 Leveret, 17 Farmer, 18 Tease, 19 Attach, 22 Crust, 23 Warp.

QUICK SOLUTION

- ACROSS: 1 Forth, 4 Wright, 9 Romance, 10 Laser, 11 Anne, 12 Signals, 13 Gat, 14 Slur, 16 Take, 18 Toe, 20 Advance, 21 Scot, 24 Moral, 25 Spatula, 26 Retort, 27 Pitch. DOWN: 1 Format, 2 Roman, 3 Hind, 5 Relegate, 6 Goshawk, 7 Thrush, 8 Feast, 13 Granular, 15 Leveret, 17 Farmer, 18 Tease, 19 Attach, 22 Crust, 23 Warp.

QUICK CROSSWORD

- ACROSS: 5 Tree, 8 Letter container, 9 Perfume, 10 A printer (anag.), 11 Rabbit-skin, 14 Chopping tool, 16 Strong ale, 17 Appraise, 18 Feline, 20 Loft room, 24 Complete, 25 River of Pakistan, 26 Calculate, 27 Flat. DOWN: 1 Small pier, 2 Forestall, 3 Evident, 4 Inscrutable figure, 6 Ball game, 7 Polly, 12 Persist, 13 Disposition, 14 Curve, 15 Consume, 19 Lie in wait, 21 Poisonous, 22 Mortal, 23 At no time.

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Bid to lure more IEEE conferences

By SIMON LOUISSEON

TEL AVIV. — The Israeli chapter of the IEEE (International Electrical and Electronics Engineers) has flown 12 leaders of the international body here in an effort to convince them to hold more of the group's conferences here.

The visitors, from the U.S., West Germany, Spain, Switzerland and Canada, have been shown facilities available in this country, visited high technology companies and will attend the opening session of the national IEEE conference today.

The initiative to bring the people here was a joint one between IEEE, El Al and Orta, a professional conference organizer. Conferences for bodies such as IEEE, which has 280,000 members, usually are planned more than five years ahead.

Yehuda Kella, of Israel's IEEE organizing committee, said he wanted to show the 12 something of Israel's technical and industrial achievements.

Tourists from such conferences are usually big spenders, laying out some \$1,200-\$2,500 per person. Kella said the political problems this country faces are not so great in bodies such as the IEEE because the influence of the Arab and communist nations is small.

WORLD BUSINESS IN BRIEF

Britain warns of retaliation against Japanese

TOKYO (Reuters). — British Corporate Affairs Minister Michael Howard warned yesterday that his country would retaliate against Japan if British firms are blocked from membership in the Tokyo Stock Exchange.

"If we don't get what we want, we shall use our reciprocity powers," Howard told reporters here.

Britain's Conservative government decided last Thursday to bring forward legislation allowing it to ban foreign banks and insurance firms from operating in London if their native country did not grant British firms reciprocal access.

Howard, who arrived yesterday for a half-week visit, said he had presented a timetable yesterday for British access to the Tokyo Exchange to both the Japanese Finance Ministry and the Japan Securities Dealers Association.

LONDON SHARE PRICES soared yesterday after weekend opinion polls put Prime Minister Margaret Thatcher's ruling Conservative Party well ahead of opponents in advance of likely elections this summer or autumn.

The stock market rebounded after a fall last week, which was prompted by fears of a trade war with Japan.

The Financial Times index of 100 shares jumped 26 points to touch a high of 1991.3 during the morning.

THE U.S. SUPREME COURT ruled yesterday that a federal judge mistakenly excused Texaco Inc. from posting a potentially ruinous \$11 billion bond in its court battle with Pennzoil Co.

It was the latest development in the battle of the two large petroleum companies and stems from the January 1984 agreement in principle by Pennzoil and Getty Oil Co. to merge. Two days later Texaco reached an agreement to acquire Getty.

A Texas court jury found in 1985 that Texaco improperly interfered with Pennzoil's planned acquisition of an interest in Getty, and the jury awarded Pennzoil \$11.1b. against Texaco. The Appeals Court reduced the jury award to \$8.5b.

Monday's 9-0 Supreme Court vote overturned a federal court ruling that Texaco need only put up \$1b. in security while the case is pending in court, but left open the possibility Texaco could avoid posting the sum through a successful appeal.

UNITED AIRLINES, the No. 1 in the U.S., received a \$4.5 billion purchase offer from the Airline Pilots Association.

The bid comes amid speculation that parts of the United Airlines — may be up subject to bids from other investors.

THE HEBREW UNIVERSITY OF JERUSALEM

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Director of European Studies

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Dr. Shireen T. Hunter

Deputy Director of the Mid-East Project

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Thursday, April 9, 1987

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roadway to Gilo. Please note correction of lecture to be given in English, not Arabic.

copy in 10/10

Shikun Ovdim, Solel Boneh reach accord Builder's merger approved

By KEN SCHACHTER
For The Jerusalem Post

TEL AVIV — In the industrial equivalent of a shotgun wedding, the parent company of Solel Boneh and Shikun Ovdim has decided to press ahead with plans to merge the two firms, it was announced yesterday.

Ailing builder Solel Boneh faces an April 15 deadline during which its main lenders, Bank Hapoalim and Bank Leumi, can withdraw from a multi-million bailout package. The merger — initially fought by the profit-making Shikun Ovdim housing company — apparently was designed to enhance the long-term prospects of Solel Boneh and give the banks less incentive to pull out of the recovery plan.

The merger was announced in the offices of Daniel Rosolio, secretary general of Hevrat Ha'Ovdim, the parent company of both Solel Boneh and Shikun Ovdim.

Rafi Edri, Shikun Ovdim chairman, was named chairman of the as-yet unnamed combined company and Elmad Shilo, managing director of Solel Boneh, was appointed managing director.

Rosolio said the activities of the two companies would complement each other. Shikun Ovdim plans, develops and markets apartment buildings, while Solel Boneh is seek-

ing to shift its activities away from major engineering projects and more towards residential construction.

"We are taking the benefit of a combined balance sheet and the benefit of bringing each firm to its natural activity," Rosolio said. "We assume when Solel Boneh will be its proper size, it will be able to compete in the market and gain greater market share and take less time for recovery."

In addition to the 3,600 workers already laid off at Solel Boneh, the rescue plan calls for an additional 1,500 — most of them office workers — to be sacked.

Edri, who initially opposed the merger, yesterday called it a "calculated risk" that gives Solel Boneh a better chance at recovery. He said money will be saved by eliminating redundancies in the two companies and streamlining decision-making.

Under the structure of the merger worked out by a seven-member committee, the merger will take the form of an umbrella company that will oversee the operations of: Solel Boneh International, which undertakes construction projects outside Israel; Solel Boneh Israel, which builds domestically; and a combined company formed of Shikun Ovdim and Solel Boneh Investment, which

will initiate residential and commercial building.

The merger blueprint calls for each company to retain its own identity and fight for a share of the market.

The seven-member merger committee also decided that the merger only should proceed if Hevrat Ha'Ovdim can provide the \$25 million required to compensate the 1,500 Solel Boneh workers being laid off. Yet another condition links wage increases to productivity increases.

The final decision to go ahead with the merger was hammered out during a three-and-a-half hour meeting of the committee yesterday morning and was announced at an afternoon press conference at the Histadrut Building.

Edri and Shilo were given a mandate by the committee to develop a more detailed plan for the merger. No board members were chosen for the new company.

As part of the Solel Boneh rescue plan, the company sold \$120m. in assets and the government-guaranteed \$80m. in bank loans. The bail-out plan is scheduled to run to 1991.

Like Solel Boneh, the merger will mean a change in focus for Shikun Ovdim.

BUSINESS BRIEFS

Tefahot staff back at work

Bank Tefahot employees returned to work yesterday, ending a 20-day strike turned lockout.

At a three-hour meeting between Tefahot management and the bank's workers committee that ended near midnight Sunday, the workers agreed to return to the posts at the mortgage bank's 24 branches without any pre-conditions, Moshe Man, the bank's managing director, said. Negotiations, however, will continue and workers will get their March salaries, minus days lost to the strike.

The two sides are still separated by differences over pay. The Histadrut had negotiated a 10 per cent hike for workers, as well as an additional 4 per cent allowance. But the employees themselves then demanded an additional 10 per cent.

The workers went out on strike without the Histadrut's support, only to be faced with a lockout a few days later.

BANK LEUMI TRUST CO. of New York, the \$3 billion, 26-branch subsidiary that is the lynchpin of Leumi's overseas operation, has still not reported its results for 1986. In line with the well-known dictum that late results are bad results, fears are growing that the delay bodes no

good for the bank's bottom line.

Rumours suggest that the bank's profit will be much lower than 1985's \$11.1 million. What is known is that the bank suffered from a securities fraud perpetrated by one of its customers, possibly with inside collusion. Reports have spoken of losses of \$2m. from the scam, but a bank spokesman insisted to *The Jerusalem Post* that the true sum was less than \$1m.

BANK OSTAR HAHAYAL, owned by Bank Hapoalim and the Defence Ministry, reported a 40 per cent drop in net profit for 1986, to NIS 1.4 million. Pre-tax profit fell by 30 per cent to NIS 6.2m. and the Treasury continued to take the lion's share of these.

The bank's balance sheet grew 34 per cent in real terms, to NIS 335.6m., while loans to the public soared by 233 per cent to total NIS 158m. Deposits from the public also rose, by a more moderate 33 per cent. Shareholders' equity climbed 16 per cent to NIS 10.5m.

INDUSTRIAL PRODUCTION rose 3.7 per cent in 1986 from the previous year, compared with a 3 per cent rise in 1985 and a 3.5 per cent rise in 1984, the Central Bureau of Statistics reported last week.

The first two quarters of the year each showed increases of 1.5 per cent in industrial production, but the third quarter showed a sharp jump to 7 per cent. The final quarter slowed to a 1 per cent increase.

The bureau found that in 1986 the number of salaried workers increased 1 per cent, while the number of work days were up by 2 per cent.

Histadrut says labour unrest may be ahead after Pessah

By AVI TEMKIN

Histadrut leaders warned Finance Minister Moshe Nissim yesterday that labour unrest could begin after Pessah if there was no evidence of progress in wages talks by then.

Meeting with the labour federation's secretary-general, Yisrael Kessar, and Trade Union Division head, Haim Haberfeld, Nissim firmly rejected their demand for a five-hour cut in the work week to 40 hours. The Treasury would insist on extending for one more year the collective wage agreements that expired last week, he said, and no wage hikes should be granted over and above the cost-of-living allowances.

The minister told Kessar and Haberfeld that the question of pay increases would be resolved in the

framework of his planned reduction in tax rates for middle- and lower-income wage earners. Nissim added that there was little need for such increments for lower-income groups in particular because of last month's legislation setting minimum wages at NIS 525 a month.

Kessar and Haberfeld stressed during the meeting that official wage talks must be opened as soon as possible. They said meetings with Nissim could not be considered a substitute for such negotiations.

After the meeting Haberfeld told reporters that Western countries are gradually adopting a 35-hour work week. Israel cannot lag behind, he said. A gap of five hours is still tolerable, but not a 10-hour difference.



(Continued from Page One)

ki training camp for auxiliary SS forces and its place in the SS and police hierarchy in Poland.

Scheffer described how Trawniki trainees were selected from Russian prisoners-of-war camps, where hundreds of thousands of them perished because the Wehrmacht had not been prepared for the more than three million men it captured early in the war. "At a later stage only between 500,000 and 600,000 were left alive," he said.

In his description Scheffer went over much of the ground covered by Hamburg prosecutor Helge Grabitz in her six days of testimony.

In an interesting observation, Scheffer mentioned that many wartime documents show evidence of less than faultless German spelling.

He added: "I generally warn against applying today's knowledge to documents of that time. Things were done according to conditions prevailing then."

Regarding the uniforms of the Trawniki auxiliary guards, Scheffer said there was no consistency. "At first they were black, later they were earth-brown, since they came from Red Army stocks. Berlin never sent the full complement of proper uniforms."

The witness also said that the Trawniki men had no personal weapons. When they were sent to help liquidate a Jewish ghetto, they were issued guns which they handed back to an SS armory when the action was completed. "There was

always an element of distrust of them in the minds of the Germans."

After the noon recess, judge Zvi Tal read out a lengthy statement, refuting all O'Connor's arguments against the more than 40 documents submitted in connection with the testimony of Helge Grabitz. "We have no hesitation in accepting these documents, although the question of their weight will be left open," Tal said.

However, the court rejected Grabitz's testimony regarding the three ex-Trawniki men questioned by the Hamburg court in Leningrad in 1975. "We don't know whether the men are still alive and we would prefer live evidence. Meanwhile, the testimony is only hearsay," Tal said.

Levin then added that while these earlier documents had been accepted into evidence conditionally, from now on all decisions on admissibility would be final.

Scheffer went on to describe an SS pay book issued in the name of Rudolf Reiss, which Shaked showed to him. A copy of the pay book had already been used in one of the U.S. trials against Demjanjuk, where O'Connor was the defence counsel.

When O'Connor objected that the booklet was only a photo copy and that he wanted to know in which archive it had been kept, Levin exploded:

"You can't say that you're seeing the document for the first time or use lack of translation as an excuse. This court has bent over backwards regarding documents. All your complaints are an expression of ingratitude — if not of something more."

The court administration has provided you with a goodly sum to cover the cost of translation."

But, seemingly unperturbed, O'Connor kept on making objections on the same grounds — and being overruled.

As the prosecution kept on showing the witness different types of documents issued at Trawniki, Levin asked how many more there were.

"About 25," replied Shaked. "Have you shown all of them to the defence?"

"Yes."

Finally, Levin said: "Can't you lighten our burden? Many of the documents are similar. Make a selection and cut down on them."

"Every document so far is very important," said Shaked.

There was a closing plea by Levin to both lawyers: "Tomorrow we'll be short."

Mehadrin, Meir Ezra to offer shares and options

Two food concerns, Mehadrin Ltd. and Meir Ezra and Sons Ltd., are offering shares and options on the Tel Aviv Stock Exchange in the next two days.

Meir Ezra, a meat processing company, will be issuing today 120,000 units, containing 2,500 shares offered for a minimum price of NIS28

and 1,000 options at no cost. The options can be exercised to purchase shares anytime between this April 30 and March 31, 1990 at an unlimited price of NIS 11.20.

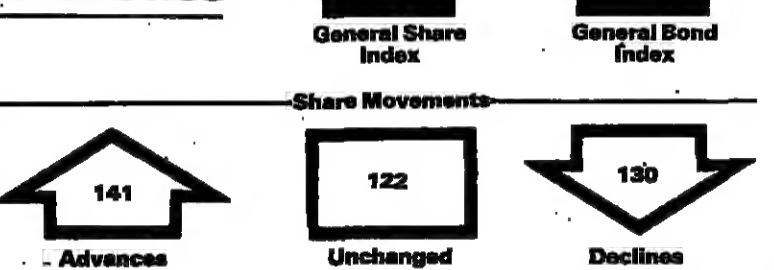
Mehadrin, a fruit packer, will be tendering tomorrow 33,000 units, including two shares at a floor price of NIS 126 plus one option at a minimum price of NIS 31.50. The option

entitles the holder to purchase a Mehadrin share at NIS 31.50, unless, anytime between this May 1 and September 30, 1988.

Both offerings will be tendered between 8:30 a.m. and 1:30 p.m. The balance of any unsold units will be offered the week starting April 9 for the Meir Ezra units and for 10 days starting April 12 for Mehadrin.

Tel Aviv Stock Exchange

MARKET STATISTICS



Stock Indices	Price	% Change
General (excl. argmt.)	161.09	+0.34%
Non-argmt. Banks	165.98	+0.48%
Arrangement Banks	107.89	-0.07%
Mortgage Banks	148.52	+1.11%
Financial Inst.	118.50	+0.08%
Insurance	131.24	+0.44%
Commerce & Services	158.06	+0.08%
Real Estate & Agric.	162.08	+1.18%
Industrial	162.49	+0.14%
Food & Tobacco	150.56	-2.76%
Textiles	161.72	+0.41%
Metals	163.14	-0.52%
Electronics	162.08	+0.55%
Chemicals	161.03	+0.34%
Industrial Invest.	164.69	+1.08%

Bond Indices	Price	% Change
Investment Cos.	176.12	+0.53%
Oil Exploration	166.48	-3.70%
Index-linked Bonds	108.72	+0.10%
Fully linked	110.76	+0.33%
Partially linked	108.15	+0.35%
Foreign Currency	108.21	-0.10%
FC denominated	111.78	-0.18%
FC linked	108.13	-0.08%
Short-term 0-2 yrs	107.98	+0.40%
Short-medium 2-5 yrs	108.21	+0.06%
Medium-long 5-7 yrs	111.11	+0.07%
Long-term 7+ yrs	112.13	-0.14%

Turnovers:	Total Shares	Non-arrangement
	NIS 25,151,600	NIS 25,014,500

SELECTED PRICE QUOTATIONS

Name	Price	Volume	% Change
Commercial Banks			
(not part of "arrangement")			
Maritime	1900	3492	-8.4
General non-arr.	8468	4978	-
First Int'l	8400	4727	-0.7
Commercial Banks			
(part of "arrangement")			
Leumi	5870	587	-
Union 0.1	88350	84	+1.0
Discount	116200	84	+0.3
Mitrahil	37350	421	-
Hapoalim	61670	2152	-
General A	39190	1823	-
Leumi 0.1	39190	1823	-
Fin. Trade	52200	-	+0.5
Mortgage Banks			
Leumi Mort.	880	100	-
Dev. Mort.	4375	1504	-
Mishkan	3770	475	-
Tefahot	24580	209	+5.1
Meirav	9129	185	-
Real Estate, Building and Agriculture			
Azorim	1520	20406	-
Elion	567	26231	-
Africa Int. 0.1	81100	485	+1.7
Denkner	8570	1100	+1.4
Prop. & Bldg.	4438	8921	+3.9
Bayside 0.1	5890	152	-1.9
ILDC	107401	335	+1.5
Resco	8950	88	+5.4
Mehadrin	7180	2343	-0.7
Hadarim	2180	8840	+8.5
Industrials			
Dubek b	8625	1565	-1.8
Ps-Ze 1	17800	381	-
Sunfrost	24400	405	-1.6
Elite	835	8785	-
Argemint	18560	352	+1.1
Delta G 1	5780	4887	-2.4
Maquette 1	5827	949	+5.0
Eagle 1	748	4651	+3.9
Polgat	6380	1400	+0.8
Schoeller	18000	344	+2.1
Rogovin	3025	89	-
Urban 0.1	12610	510	-0.3
Is. Can. Co. 1	5620	1318	-3.2
Zion Cables	3770	711	-0.2
Poker Steel	22800	343	-
Elbit	637000	27	+1.5

Elron	525000	13	-
Art	32700	353	-0.9
Ciel Electronics	2900	4873	+2.5
Spectronix 1	2400	1556	-
T.A.T. 1	2139	2295	-
Ackerstein 1	1278	2097	-
Agan 5	22700	157	-
Albion	2750	548	-
Dexter	3900	165	-
Fertilizers	5300	41	+1.0
Haifa Chem.	968	15312	-0.5
Teva 1	13800	1414	-
Dead Sea 1	3225	8198	-
Parochem	774	80698	+2.7
Neve Chem.	9300	448	-
Frutaron	19800	86	+3.4
Hadera Paper	46600	207	-0.2
Central Trade	14600	492	-
Koor p	1807000	0.5	+2.0
Ciel Inds.	280	97772	+1.8
Investment Companies			
IDB Dev. 1	9250	3248	-
Elion	6800	1813	-
Afik 1	401	18338	+4.4
Gahelot	1725	580	+0.9
Israel Corp. 1	25010	2139	+3.3
Walston 1	133500	5	-5.4
Hapoalim Inv.	12000	3341	+3.4
Discount Invest.	5890	7099	-
Mizrahi Invest.	37200	232	-3.1
Ciel 10	1675	358	-
Landeco 0.1	3145	358	-
Pama 0.1	13399	195	-0.0
Oil Exploration			
Paz Oil Expl.	40250	206	-1.9
J.O.E.L.	7650	2471	-3.2

Abbreviations: s.e. sellers only b.e. buyers only

b.e. buyers only b.e. buyers only

SHEKEL DEPOSITS (annual rates)									
Bank	Deposit	1 month	3 months	6 months	12 months				
Leumi (Apr. 1)	Size	10.00	11.00	12.00	13.00				
	500-999	22.50	22.75	23.00	23.25				
	1,000-49,999	24.00	23.75	24.00	24.25				
	50,000+	24.50	24.25	24.50	24.75				
Hapoalim (Mar. 27)	Up to 899	10.00	11.00	12.00	13.00				
	1,000-999	21.00	21.00	21.50	21.50				
	10,000-49,999	23.50	23.50	24.00	24.00				
	50,000+	24.00	24.00	24.00	24.00				
Discount (Apr. 2)	40-999	10.00	11.00	12.00	13.00				
	1,000-10,000	21.00	21.00	22.00	21.00				
	10,001-50,000	24.00	23.50	24.00	22.00				
	50,001-99,999	24.00	23.50	24.00	23.00				
First Int'l (Mar. 18)	50-999	17.00	15.10	15.10	15.00				
	1,000-4,999	22.00	21.50	21.50	20.00				
	5,000-9,999	23.00	22.40	22.20	21.00				
	10,000-19,999	24.00	23.50	23.50	22.20				
	20,000+	25.00	25.00	24.00	23.00				
Patah (foreign currency deposit rates)									
Currency (Intl. deposit)	3 MONTHS	6 MONTHS	12 MONTHS						
U.S. dollar (\$100,000)	5.875	6.000	6.000						
Round sterling (£100,000)	8.375	8.125	8.125						
Deutschmark (DM 200,000)	2.875	3.125	3.25						
Swiss franc (SF 200,000)	1.75	2.00	2.25						
Yen (5 million yen)	2.375	2.375	2.375						
SOURCE: BANK LEUMI, Rates vary according to size of deposit.									
Shekel Foreign Exchange Rates (April 6)									
CURRENCY TRANSFERS				BANKNOTES		Rep.			
	Buy	Sell		Buy	Sell	Parities			
Currency basket	1.850	1.850				1.6790			
U.S. dollar	1.5845	1.6144	1.56	1.63	1.6049				
Deutschmark	0.8742	0.8851	0.88	0.89	0.8796				
Pound sterling	2.5833	2.6153	2.52	2.62	2.6015				
French franc	0.2029	0.2088	0.25	0.27	0.2664				
Japanese yen (100)	1.0911	1.1046	1.07	1.12	1.0979				
Dutch florin	0.7748	0.7848	0.76	0.78	0.7786				
Swiss franc	1.0394	1.0525	1.03	1.07	1.0573				
Swedish krona	0.2913	0.2944	0.25	0.26	0.2529				
Norwegian krona	0.2342	0.2371	0.23	0.24	0.2362				
Danish krone	0.1634	0.1645	0.22	0.24	0.2332				
Finnish mark	0.3587	0.3632	0.36	0.37	0.3611				
Canadian dollar	1.2198	1.2247	1.19	1.23	1.2272				
Australian dollar	1.1324	1.1475	0.94	1.14	1.1408				
S. African rand	0.7829	0.7827	0.51	0.61	0.7852				
Belgian franc (10)	0.4207	0.4280	0.41	0.43	0.4281				
Austrian schilling	1.2436	1.2581	1.22	1.27	1.2516				
Italian lire (1000)	1.2276	1.2428	1.20	1.26	1.2348				
Jordanian dinar	—	—	4.47	4.74	4.6703				
Syrian pound	—	—	0.66	0.68	0.6723				
ECU	1.8170	1.8396	—	—	1.8282				
Irish punt	2.3369	2.3558	1.05	1.12	2.3517				
Spanish peseta (100)†	16.648	16.643	1.29	1.29	1.2692				

PATAH (foreign currency deposit rates)			
Currency (basis deposit)	3 months	6 months	12 months
U.S. dollar (\$100,000)	5.875	5.875	6.000
U.S. dollar (\$100,000)	8.275	8.125	8.125
Pound sterling (£100,000)	2.275	2.125	2.125
Deutsche mark (DM 200,000)	2.75	2.875	2.875
Swiss franc (SF 200,000)	2.375	2.375	2.375
Yen (¥100,000)	2.375	2.375	2.375

EUROPEAN FINANCIAL MARKETS (April 6)	
Precious Metals	Libor Rates

